Austria ... Sch. 20	Indonesia .. Rp 2500	Portugal .. Esc 90
Bahrain .. Din 0.650	Italy ..... L 1500	S. Arabia . Rls 6.00
Belgium ... BFr 45	Japan Y550	Singapore . S$ 4.10
Canada ... C$1.00	Jordan ..... Fils 500	Spain .... Pta 125
Cyprus ... C£0.70	Kuwait ..... Fils 500	Sri Lanka ... Rup 30
Denmark .. DKr 8.00	Lebanon .. L£ 8.00	Sweden .. Skr 7.00
Egypt .... E£1.00	Luxembourg . LFr 45	Switzerland SFr 2.20
Finland .. Fmk 6.50	Malaysia .. Rin 4.25	Taiwan ... NT $65
France .. FFr 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 250
Greece ..... Dr 90	Netherlands Fl 2.75	U.A.E. .... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr 7.00	U.S.A. $1.00
India .... Rup 15	Philippines . Pes. 20	

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Tension mounts during search for Israeli soldiers, Page 5

Volcker says $ has fallen enough, warns on inflation

BY STEWART FLEMING AND PAUL TAYLOR IN WASHINGTON

MR PAUL VOLCKER, the US Federal Reserve Board chairman, took issue yesterday with Reagan Administration officials who are calling for further falls in the value of the dollar, telling a congressional committee that the US currency has "fallen enough."

Mr Volcker made clear that the US should now be exercising caution and patience in tackling the problems presented by its huge $150bn trade deficit.

This followed the call on Tuesday by Mr James Baker, US Treasury Secretary, for a further orderly devaluation of the dollar, and with Mr Clayton Yeutter, US Trade Representative, saying again that a bigger decline in the dollar is needed.

"Economic history is replete with examples of countries that, in attempting to correct over-valuation of their currencies, failed to take advantage of their improved competitive positions... (and) lapsed into a debilitating and self-defeating cycle of external depreciation and internal inflation," Mr Volcker said.

Even as he spoke, the dollar plunged again in the wake of comments by Mr Baker, denying that there was any "fundamental disagreement" between the Fed and the Treasury on interest rates. On Tuesday, Mr Baker's call for a further orderly decline in the dollar also sent the US currency sliding.

But Mr Volcker's retort on the dollar sparked a sharp reaction. "I think it has fallen enough; it's fallen quite a lot. I do not think it is anything we are interested in forcing," he said. The US currency, which had slumped to DM 2.29 after Mr Baker's comments, rebounded to DM 2.32.

GROWTH FOR MONETARY AND CREDIT AGGREGATES

	Percentage change* 1985–1986	1984–1985
M1	3 to 8	3 to 8*†
M2	6 to 9	6 to 9
M3	6 to 9	6 to 9.5
Debt	8 to 11	9 to 12

* Fourth quarter to fourth quarter
† Applied to period from second to fourth quarter
Source: Fed

The Fed chairman's judgments yesterday on the economic outlook, on monetary policy and on the dollar all suggested that Mr Volcker feels strongly that the central bank should not be trying aggressively to ease interest rates lower. Instead it should be focusing on the "pervasive inflationary threats" inherent in a "sharp depreciation of the external value of a currency. There has been no occasion for significant change in the degree of pressure on bank reserve positions," Mr Volcker said, describing the current status of monetary policy.

He placed heavy emphasis on the contribution which faster economic growth in other industrial countries could make to correcting the US trade balance. He suggested that Japan should take further measures to stimulate stronger domestically-generated growth. He hinted, too, at a continuing need for faster growth in Europe, saying expansion there is not producing significant declines in unemployment.

Mr Baker also called yesterday for European countries to "lead the charge" to lower international interest rates.

Mr Baker also made clear that he does not want to run inflationary risks. Comments by Treasury officials suggest, however, that they feel the risks of either a plunge in the dollar's value or the re-igniting of inflation to be less than Mr Volcker judges them, particularly in the light of the plunge in oil prices.

Mr Volcker painted an optimistic picture of the outlook for economic growth this year, which also suggests he is in no hurry to see the Fed drive interest rates down. He pointed out, however, that offsetting the generally favourable effects of lower oil prices are the "uncertainties and stresses" they create for sectors of the US economy, financial institutions, and some developing nations.

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Details, Page 4; Editorial comment, Page 16; Lex, Page 18; Wall Street reaction, Page 40

Marcos plays his Russian card

By Chris Sherwell and Samuel Senoren in Manila

THE Soviet Union and the European Community were dragged into the post-election crisis over the Philippines presidency yesterday as opposition challenger Mrs Corazón Aquino summoned EEC ambassadors for talks and President Ferdinand Marcos played a Russian card against the US.

The diplomatic wrangles came as bankers and economists said the Government could not possibly meet the monetary targets agreed with the International Monetary Fund for the current quarter, a development which will further delay the depressed economy's recovery.

They also followed reports from Washington that the US has warned Mr Marcos that it could halt aid to the Philippines unless he shares power with his opponents. Reagan Administration officials are said to believe Mr Marcos would serve US interests best if he left office.

Mr Marcos yesterday conspicuously received the credentials of the new Soviet ambassador to Manila. Apparently referring to the US, he pointedly warned against "foreign intervention" and said he would seek increased trade with the Soviet Union. Moscow has in recent months sought closer commercial ties with Manila.

Mrs Aquino is to meet EEC ambassadors today, evidently to urge them not to send representatives to Mr Marcos's inauguration, which is tentatively scheduled for next Tuesday. The Vatican's ambassador is already expected to snub the ceremony.

West Germany and Spain have, meanwhile, recalled their ambassadors for consultations, and two others are thought to be under pressure to return. The Philippines Foreign Ministry yesterday refused to receive an EEC joint statement expressing "deep concern" at developments in the Philippines.

Mr Marcos has repeated that he is ready to use the full force of the law to contain Mrs Aquino's civil disobedience campaign, especially if a strike planned for the day after this inauguration paralyses transport and public utilities.

Mrs Aquino, taking her protest outside the capital for the first time since the election, yesterday told tens of thousands of supporters near the US air base at Clark Field that the three-day-old boycott of government banks, newspapers and San Miguel, a Marcos-linked company, was working well.

Although the Aquino camp has mixed assessments of the US posi-

Continued on Page 18

Marcos's business cronies, Page 5

Hussein cuts links with PLO leaders

BY ROGER MATTHEWS IN AMMAN

KING HUSSEIN of Jordan announced last night that he had severed relations with the leadership of the Palestine Liberation Organisation (PLO) and had abandoned his latest quest for a Middle East peace settlement.

At the end of a three-hour television broadcast, the King declared: "After two long attempts, I and the Government of the Hashemite Kingdom of Jordan hereby announce that we are unable to continue to co-ordinate politically with the PLO leadership until such time as their word becomes their bond, characterised by commitment, credibility and constancy."

The bitterness of the King's words underlines the depth of his disappointment at the role played by Mr Yassir Arafat, the PLO chairman, and is certain to create fresh tensions within the already-divided PLO, within Jordan where over half the population is Palestinian, and in inter-Arab relations.

The Jordanian decision "to end another chapter in the search for peace," as King Hussein put it, is also a serious blow to Western and moderate Arab nations. They had seen the King's efforts as perhaps one of the last opportunities for a negotiated settlement to the issue of the West Bank and Gaza territories occupied by Israel in 1967.

King Hussein claimed that the refusal of the PLO leadership to continue with the peace process – launched jointly by them on February 11 last year – had been made despite a significant change in the US position in favour of the PLO.

He said the US had agreed to invite the PLO to an international peace conference if the Palestinians accepted UN Security Council resolution 242. Acceptance of this resolution would mean the PLO's recognition of Israel's right to exist in peace behind its pre-1967 borders. The US had agreed earlier to talk directly to the PLO once it accepted the resolution.

If King Hussein's claim is substantiated by Washington it would amount to a significant policy shift in the US. Any signs of closer contact between the PLO and the US would seriously strain relations between Washington and Jerusalem.

Even the prospect of direct talks between the US and the PLO would seriously strain relations between Jerusalem and Washington. Mr Shimon Peres, the Israeli Prime Minister, reiterated in London last month his refusal ever to sit down and negotiate directly with the PLO.

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Hunt for Israeli soldiers, Page 5

World news

Iraqi jets try to halt Iranian offensive

Iran said its troops were continuing their advance westward into southern Iraq while Iraqi warplanes resumed air strikes after bad weather to stem the 10-day-old offensive.

Tehran Radio said Iranian troops were moving towards Umm Qasr and had cut off Iraq's access to the sea.

Iraq said its aircraft had hit an Iranian naval base on the Gulf and oil installations at Ganaveh.

Beirut captives freed

Three Spanish embassy officials were freed in Beirut after being held for four weeks by kidnappers who demanded the release of two Moslems jailed in Madrid.

Landmine kills

A landmine exploded under an army-escorted civilian convoy in north-eastern Sri Lanka, killing at least 31 farmers and four soldiers and injuring 30 others. At the same time the Government said it had foiled a plot by Tamil separatists for a rash of bombings in Colombo, the capital. Page 5

Haiti foreclosure

The interim Government in Haiti said it would annul all financial transactions by the deposed regime of Jean-Claude Duvalier over the past six months and seize his personal property, including mansions, cars and yachts. Page 4

N-plant safety check

Political protest mounted in Britain about the second nuclear leak in a month from the Sellafield nuclear processing plant in Cumbria, north-west England. Government inspectors are expected to take six weeks to complete an investigation. Page 9

Emissions monitor

The West German state of Saarland said it would spend $1.1m on a programme to monitor radioactive emissions from the new Cattenom nuclear power plant in France.

Pope greets Gemayel

Pope John Paul interrupted a Lenten spiritual retreat to grant an audience to Lebanese President Amin Gemayel at the Vatican.

Aid to El Salvador

Israel said it would increase aid to El Salvador now that the Central American country has appointed an ambassador to the disputed capital of Jerusalem.

Extradition approved

A US appeals court approved the extradition to the UK of William Quinn, held without bail since 1981 on charges of conspiring with IRA members in a letter-bomb plot.

Iceland polarisation

Iceland's 60,000-member trade union federation threatened to strike if demands for 8 per cent wage rises were not met by the weekend. Prime Minister Steingrimur Hermannsson repeated his threat to resign if the unions persist in their demands.

Mine tragedies

Four miners were rescued but three were known killed and eight more missing after a shaft collapsed at a coal mine in southern Hungary.

Clashes in Punjab

Police fired on Sikhs and Hindus who clashed at Batala, in India's Punjab state. At least six people were killed and a dozen wounded.

Nobel nominees

Rock musician Bob Geldof, who spearheaded famine relief, and South African black nationalists Nelson and Winnie Mandela are among 85 nominees for the 1986 Nobel Peace Prize.

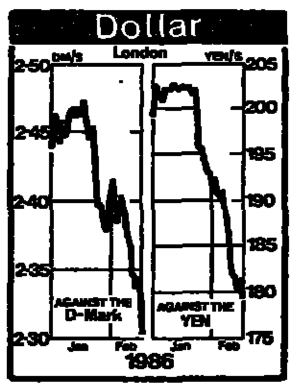
Business summary

Rockwell buys Valeo truck and axle unit

VALEO, French motor component group, is selling its loss-making truck and heavy vehicle axle businesses to Rockwell International, US aerospace, car components and electronics concern, in a move which will virtually complete the French group's recent sweeping restructuring.

Valeo said it had signed a preliminary sale agreement with Rockwell which will buy the axle businesses of the French group's Soma subsidiary, whose operations lost FFr 150m ($21.18m) last year. Page 19

Dollar



DOLLAR closed in New York at DM 2.3100; SFr 1.9150; FFr 7.0900 and Y180.50. It fell in London, closing at DM 2.304 (DM 2.343), SFr 1.9055 (SFr 1.938), FFr 7.05 (FFr 7.195) and Y179.25 (Y181.05). The exchange-rate index, according to the Bank of England, fell to 118.0 from 120.2. Page 33

STERLING closed in New York at $1.4535. It gained 2.25 cents against the dollar in London to $1.4505. It was also firmer at Y260.0 (Y258.5) but fell to DM 3.3425 (DM 3.345), SFr 2.765 (SFr 2.7675) and FFr 10.225 (FFr 10.275). The pound's exchange-rate index rose 0.5 to 74.5. Page 33

GOLD rose $5.75 on the London bullion market to $342.25 and was $4.25 higher in Zurich at $341.50. In New York the Comex April settlement was $339.00. Page 32

WALL STREET: The Dow Jones industrial average closed down 20.52 at 1,658.26. Page 40

LONDON fell back after an early upsurge lost momentum. The FT Ordinary index closed 0.8 up at 1,235.1, and the FT-SE 100 closed 0.5 off at 1,491.4. Page 40

TOKYO rose in record turnover as speculative funds shifted to domestic demand-related issues. The Nikkei average closed 30.42 higher at 13,466.65. Page 40

BANKERS TRUST, the US money centre bank, has been ordered by a federal court to stop distributing commercial paper by March 1 unless it is successful in its appeal against a court ruling that the practice violates federal law. Page 4

DIAMOND market uncertainty in Antwerp because of a tax fraud investigation involving Kirschen Roger, a stockbroker with offices in the gem-trading quarter, is likely to have reduced Belgian export revenue from diamonds by about 25 per cent this month, said Marc van den Abeleen, general manager of the Diamond High Council. Page 32

HANSON TRUST, UK industrial holding company, said it would not increase its £2.3bn ($3.36bn) takeover bid for Imperial Group despite the emergence of a rival, higher offer from United Biscuits. Lex, Page 18

WESTLAND chairman Sir John Cuckney named the six mystery buyers who helped swing last week's crucial shareholders' vote on the future of the UK helicopter group. He said, however, that it was unclear whether the six were the beneficial owners. The buyers were: Actraint No 34 Proprietary Ltd of Canberra (4.9 per cent), Glyns and Sterling Trust of Geneva (4.9%), Rothschilds of Zurich (4.4%), Dreyfus of Switzerland (3.7%), Gulf and Occidental of Geneva (1.4%) and Inverstat for another company called Dreyfus (0.8%).

Markets weigh conflicting signals

BY GEORGE GRAHAM IN LONDON

THE DOLLAR remained weak in Europe and the Far East yesterday before a recovery in the wake of the warning from Mr Paul Volcker, chairman of the Federal Reserve, that its depreciation might spur inflation in the US.

In the foreign exchange markets, the dollar fluctuated as traders weighed Mr Volcker's comments against apparently contradictory remarks from Mr James Baker, the US Treasury Secretary. Statements from the two officials – giving testimony at the same time to two different congressional committees – flashed up on dealing screens in quick succession, pushing the dollar up and down against the yen and leading European currencies.

"It is like playing Russian roulette, waiting for the next statement to come up," said a dealer at one London bank.

The dollar dipped at one stage to Y177.20, but recovered to close in London at Y179.25, above yesterday's New York closing level. It lost nearly 4 pfennigs against the D-Mark during the day, closing at DM 2.3040. Against sterling, the dollar ended at $1.4505, compared with $1.4280 at the previous day's close.

The dollar's decline is now beginning to cause concern among European governments. Its effective exchange rate has fallen by 15 per cent since last September's meeting of the Group of Five finance ministers in New York agreed to act together to bring it down.

The extent of the fall is now beginning to hurt some European manufacturers, whose profit margins on exports have been eliminated. Some central bankers are also worried that it might cause a resurgence of US inflation, with unfavourable repercussions for the world economy.

A 10 per cent fall in the dollar is estimated to increase US inflation by around 1.5 per cent over two years, according to London stockbrokers James Capel.

Japanese officials are also worried about the dollar's movement, but have publicly disagreed over what action to take. Mr Noboru Takeshita, the Finance Minister, and Mr Michio Watanabe, the Trade Minister, yesterday called for a swift cut in official Japanese interest rates to stem the yen's rise. But Mr Satoshi Sumita, Governor of the Bank of Japan, apparently ruled out any immediate reduction.

Impact on Japan's exporters, Page 18; Money markets, Page 33

BL executive plans Land Rover buyout

BY KENNETH GOODING IN LONDON

MR DAVID ANDREWS, the BL executive director responsible for the commercial vehicles division, has formed a consortium which will attempt to raise financial backing for a management buy-out of Land Rover UK.

The consortium, which includes five senior Land Rover managers, must put together firm proposals by March 4 – the deadline set by the BL board with UK Government approval which the consortium might not be able to meet.

However, if a package can be put together the consortium will argue that its deal has two important benefits over the sale to General Motors (GM), which is considering buying both Land Rover and the Leyland Trucks business.

First, it offers the chance of keeping Land Rover in British ownership, something the Government has been under pressure to consider, even from Conservative Party back-benchers.

The consortium's plan would also eventually give employees a chance to invest in their company because, although there is not enough time initially to prepare Land Rover for flotation on the stock market, that would be the consortium's ultimate objective.

So far the Government has seemed to favour the GM proposals because they present the chance to sell about half state-owned BL in one chunk. And GM has indicated it would not be interested in the truck operations without Land Rover.

However, in the past few days another, so far unnamed foreign group, has expressed an interest in Leyland Trucks as a separate business and might come forward with a firm offer.

There are also several other com-

Continued on Page 18

Pretoria faces debts pressure

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

SOUTH AFRICA will face pressure from its main creditor banks to step up repayment of debt frozen under last summer's moratorium, at a fresh round of rescheduling talks due to be held in London today.

Proposals drawn up last week by Dr Fritz Leutwiler, the Swiss mediator between Pretoria and its creditors, to put South Africa's debt back on an orderly footing have met broad support in principle from creditors. But many say its provision for repayments during the coming year is still too limited.

Further meetings may therefore be needed before full agreement can be reached on ways to put the country's $24bn foreign debt on an orderly footing, senior bankers said.

The Leutwiler plan calls for a further year's breathing space for South Africa during which no more than 5 per cent of the frozen debt would be repaid.

The plan assumes that South Africa will have a current account balance of payments surplus of only $1.5bn this year. But bank creditors say falling oil prices and rising gold prices could boost it way above this figure.

Some bankers now feel the surplus could even exceed $3bn which would allow the country to repay much more than 5 per cent of the frozen debt.

None the less, they welcomed the Leutwiler plan. "These are workable proposals, but probably we can make them a bit better," one leading creditor said yesterday.

One possible outcome of today's meeting could, therefore, be the establishment of a technical committee to refine the proposals. However, this would depend on the stance taken by Dr Leutwiler himself as well as that of Dr Chris Stals, director-general of the South African Reserve Bank, who will also attend the talks.

Dr Leutwiler has previously said he would present the proposals on a "take-it-or-leave-it" basis, and it is not clear how far he is prepared to see them modified. Also unknown is the stance of the South African Government.

Bankers say the proposals are essentially an interim solution to South Africa's debt problem ahead of a full review of its economic and political situation early next year.

This will keep up pressure on South Africa to implement political reforms but, paradoxically, some bankers argue they would prefer not to return to the negotiating table quite so quickly.

One worry is that US banks, which have come under strong pressure from shareholder and customer lobby groups to pull out of South African deals, would again be caught in the political crossfire in the run-up to annual meetings on their 1986 results.

South Africa's three leading anti-government churchmen – Bishop Desmond Tutu, the Rev Allan Boesak and Dr Beyers Naude – called on bank creditors to reject the Leutwiler proposals.

But although they remain acutely sensitive to the political background to South Africa's financial problems, bankers say they also need to instil some order into the confusion that has prevailed since the moratorium was announced at the end of August.

From a technical standpoint the Leutwiler plan addresses several important banking issues, they add. It establishes the principle of some repayment quickly; offers realistic interest rates; and it avoids the temptation of lumping all the frozen debt – medium and long-term – in one basket.

CONTENTS

مكتبة من الاهل

Quentin Peel and Laura Raum explain why the Luxembourg reforms are viewed as crucial in The Hague

Danish 'disaster' threatens Dutch hopes for EEC

MR HANS van den Broek, the tall, elegant Dutch Foreign Minister who occupies the chairman's seat of the EEC for the first six months of this year, is not a man lightly given to speculate about disaster, or so he says.

Yet that is exactly the emotive word he would use to describe the consequences if member countries failed to implement even the modest reforms before them. He must be relieved that the greatest, threat to the measure seem to be receding. Public opinion polls show growing support for the reforms in the forthcoming Danish referendum.

The package of measures approved by the 12 Community leaders at their Luxembourg summit in December, and finalised by their Foreign Ministers last month, was certainly modest. It would seek to speed up completion of the Community-wide Common Market by 1992, by making more questions possible to decide by majority voting; it would involve the European Parliament a bit more in EEC decision-making; and it would formalise the process of political consultation between member states, on top of economic co-operation.

Mr van den Broek himself describes the package as "somewhat disappointing." Any suggestion, however, that the whole exercise might just as well be decently buried, makes the minister quite upset.

"If we do not arrive at implementing our plans for the internal market, then European integration, the whole economic co-operation machinery, will be ruined," he says. "That is a disaster for the Economic Community.

"When I say that the results (of the reform package) are modest, I mean that they are the absolute minimum requirement we deem necessary for the survival of the Community . . . If we prove unable to carry out the results, it can only give a strong impetus to those tendencies in the Community towards a split-up."

The process of European integration is very close to the heart of Dutch government policy. Even the department responsible for the EEC in the Foreign Ministry is called the "European integration department."

That is why the rotating chairmanship of the 12-nation Community seems to fit the Netherlands with such facility, and also why Mr van den Broek, for all his disappointment, is transformed into such a passionate defender of modest reforms.

Consolidation of the Luxembourg package is the top priority for the Dutch presidency, putting the exercise to work as soon as decently possible, without even waiting for the ratification of all the national parliaments.

"We can't afford to wait a year and a half to get on with the internal market," the Foreign Minister said. "As soon as all 12 countries have agreed, I would like to suggest to them to more or less anticipate the results and see how far we can get."

On the institutional front, the next step is to persuade the Council of Ministers—the ultimate legislative authority of the Community—to speed up its internal working methods. That means agreeing to vote whenever possible, instead of interminably seeking consensus.

Mr van den Broek (left) and Mr Lubbers . . . election in May.

On the practical front, it means getting on with an 18-month rolling programme of reforms needed to meet the 1992 deadline for completing the unified internal market. The programme was agreed by Luxembourg—the last EEC chairman—the Netherlands, and the UK which takes over in July, to push through well over 100 separate decisions in a co-ordinated effort.

It certainly will not be all quite so straightforward. There is a broad degree of consensus among the member states on the need to get on with the internal market. But many of the decisions needed are tiresome and detailed ones, concerning issues like animal and plant health, or standards for pressure vessels—the bread and butter of bureaucratic procrastination.

Then there is the problem of agriculture, and behind that, the ever-present problem of the budget. Teething trouble also seems certain over the new membership of Spain and Portugal, which took effect on January 1.

Just for good measure, Mr van den Broek and his colleagues have to fight a national election campaign, with polling day on May 21. Such a coincidence would spell complete stagnation for the Presidency of pretty well any other member state. But consensus on EEC issues is such in the Netherlands that the prospect is regarded with a certain equanimity.

It may very well mean, however, that reform of the Common Agriculture Policy (CAP) will get a less high priority than completing the internal market. For farming is still a major factor in the country, and the outcome of reform is unpredictable.

Nearly any visible progress on market integration would look good to Dutch voters back home, especially on transportation, technical standards, high technology collaboration, and financial services.

On agriculture, it is true that Dutch farmers will not suffer as much as others in the Community from radical CAP reforms towards a more market-oriented, price-sensitive policy. Much of the Netherlands farmland is dedicated to crops that fall outside the CAP programmes, such as seeds, potatoes, onions, and even the hot-house trade in flowers.

Mr Gerrit Braks, the Dutch Agriculture Minister, knows full well that he must bite the bullet of CAP reform. The cost of storing and disposing of the surplus production, whether it is cereals, beef, butter or wine, has put the Community budget under almost intolerable strain. At the same time, the heavy export subsidies payable to make EEC produce competitive on world markets continually threaten to spark new trade wars.

He is determined to be tough with his fellow Farm Ministers. Indeed, if they cannot agree on a restrictive price policy, he hopes the Finance Ministers will force their hand, and set them a rigid budget framework.

"The budget for the CAP as such is quite defensible," Mr Braks says. "It is no more than 1 per cent of the GNP of the Community. But we use it in the wrong way, to create structural surpluses, to increase self-sufficiency from 105 to 110 per cent. Surplus production has a tremendous negative influence on free market developments."

What Prime Minister Lubbers must hope to gain from the EEC Presidency is an image of firm and competent Community leadership. He certainly expects and intends to be present at the Tokyo economic summit in May in that capacity, and gain some limelight there.

The EEC summit itself will not come in time to win him votes in the election: in line with the Dutch strategy of promoting a more efficient and streamlined Community, there will only be one heads of government meeting instead of two, and it will be in June.

So Mr Lubbers must simply be hoping not to have any major upsets during the Dutch presidency to dent his normally high standing in the polls: hence the added concern of what might happen if the Danes say No on February 27.

There is little understanding or sympathy for the Danish predicament in the Hague. As a small European country, the Netherlands has never been in doubt that its only tenable future lay in strengthened European institutions. Denmark seems to be tempted to fall back on a fortress mentality to preserve its identity.

The Dutch still hope and expect that the Danes will say Yes. As for the alternative, nobody wants to speculate about disaster.

Pravda finds little to comfort Siberia's neglected customers

BY OUR MOSCOW STAFF

OIL IS not the only thing that is hard to come by these days in the Soviet Union's key oil-producing region of Tyumen in Western Siberia. Wedding rings, toothbrushes, warm winter clothes, boots, shoes and even bread are in short supply, too.

These were some of the findings when the Communist party daily newspaper, Pravda, apparently heeding calls from Mr Mikhail Gorbachev for greater attention to consumer needs, went to find out what workers want in Tyumen.

Pravda's report begins to explain why 10 per cent of the workers who go to Tyumen leave as soon as they have made some money, and why a rather greater proportion of the workforce probably does its best to ignore the current anti-alcoholism campaign.

It also reflects a recognition in the Kremlin that the leadership must be seen to care about the plight of the Soviet consumer if it wants workers to meet the ambitious economic goals Mr Gorbachev has set—a doubling of production by 2000, and a 5 or 6 per cent annual increase in labour productivity.

As Mr Gorbachev noted when he visited Tyumen last September: "All of us must keep in mind that all our plans will remain on paper if we fail to make this vast area comfortable for people's life."

Mr Gorbachev's politburo may not be prepared to throw much money at the consumer problem. It has allocated Roubles 82bn (£75bn) to develop Western Siberia in the next five years. Much of that will go for the new technology, industrial plant, roads and other infrastructure needed to get oil out of hitherto inaccessible frozen tundra and reverse the falling trend in Soviet oil production.

Pravda indicated that the leadership hopes that improved organisation will go far to alleviate consumer woes. Reporting on Tyumen this week, it scathingly compared the 11 different organisations that oversee consumer trade in the region to 11 nannies fussing over one child, and urged that one authoritative body be found to take charge.

The problems it unearthed range from simple lack of goods to inadequate storage of products that do arrive, from the failure to build planned shops to stores that are too small to serve the 400,000 people who live in the city of Tyuman itself.

- A store manager in Urengoi, starting point of the pipeline supplying natural gas to Western Europe, told a Pravda correspondent shivering in minus 30 C temperatures last month that he had received only 500 pairs of warm boots for more than 20,000 workers in the town.
- Last year alone, 80 stores and 18 bakeries planned by the authorities were not built. Many places making bread, a staple of the Soviet diet, are "in a dangerous state, needing reconstruction."
- There is so little refrigerated storage space that vegetables often have to go straight to shops for sale or to rot rather than into storage for gradual distribution. In the town of Surgut, it took 12 years to complete refrigerated storage that still needs "finishing touches."
- Some factories in other regions dump on Tyumen low-quality products they cannot sell elsewhere. Pravda mentioned a shipment of tape recorders from the central Russian town of Bryansk. "Half were broken, and people barely buy the rest."

Pravda's report helps explain why many workers who go to Tyumen leave as soon as they have made some money.

In such conditions, many Soviet citizens look to a trip to Moscow as their salvation. Pravda reported that a recent survey of Tyumn oil workers—one in five of whom reported turning to the black market for clothes—showed that almost all asked for clothing when answering the question: "What do you ask for when a friend goes to Moscow on business?"

Even in the capital, however, life is not easy. Mr Boris Yeltsin, the Siberian who succeeded Mr Victor Grishin as Moscow party boss in December, last month heaped criticism on the former Moscow leadership for mismanagement in housing, transport and consumer supplies.

On the day Pravda reported on Tyumen's woes, the Moscow evening newspaper, Vechernaya Mosckva, discreetly announced that, following his own tours of Moscow shops, Mr Yeltsin had ordered unspecified "changes" in the supplies of meat, milk, eggs and vegetables which surrounding regions send to the capital.

Solidarity supporters win places on steel council

BY CHRISTOPHER BOBINSKI IN WARSAW

WORKERS AT the Warsaw steelmill have elected a self-management council containing an influential group of supporters of the banned Solidarity movement, a defeat on the plant's Communist party organisation.

The new council takes over from a group—retiring after its two-year term—which has played an important role in resisting Steel Ministry attempts to integrate the industry to the detriment of Poland's decentralising economic reforms.

Almost three-quarters of the 8,000 employees at the steelworks voted by secret ballot, a turnout which shows that the workers believe the council is playing a useful role. The outgoing council had shown itself adept at using the self-management law to check arbitrary management decisions and to defend workers' rights.

The Warsaw steelworks has provided a model for the several hundred factory councils throughout Poland selected under the new legislation. It is also being watched closely by the Government, as well as Solidarity.

The council takes over in the thick of the struggle over the future organisation of the steel industry. The outgoing council, supported by five others in the industry, last month formally suggested grouping the steel mills in a way which would respect each company's independence.

FINANCIAL TIMES

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SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA, Applicant
v.
MISSION INSURANCE COMPANY, a California Corporation, Respondent
No. C 572724

NOTICE OF HEARING ON APPLICATIONS FOR AUTHORITY TO REINSURE THE BUSINESS OF RESPONDENTS
Date: March 6, 1986
Time: 9.00 am
Dept 86 (for Actions C576323 and C576325)
Dept: 86 (for Actions C572724, C576324 and C576416)

TO ALL INTERESTED PERSONS:

Please take notice that there is presently pending in Los Angeles Superior Court, State of California, Action No. C572724, entitled "Insurance Commissioner of the State of California, Applicant, v. Mission Insurance Company, a California corporation," Respondent herein. Also pending in the Los Angeles Superior Court, State of California are four related actions entitled: "Insurance Commissioner of the State of California, Applicant, v. Holland-America Insurance Company, a Missouri Corporation, Respondent," being Action No. C576323; "Insurance Commissioner of the State of California, Applicant, v. Mission National Insurance Company, a California Corporation, Respondent," being Action No. C576324; "Insurance Commissioner of the State of California, Applicant, v. Enterprise Insurance Company, a California Corporation, Respondent," being Action No. C576325; and "Insurance Commissioner of the State of California, Applicant, v. Mission Reinsurance Company, a Missouri Corporation, Respondent," being Action No. C576416.

Please take further notice that on March 6, 1986 at 9.00 am in Dept 85 of the above-entitled court in Actions No. C576323 and C576325 the Insurance Commissioner will move the Court for an order approving the Application for Authority to Reinsure the Business of Respondents named herein by Mission American Insurance Company pursuant to a letter agreement dated February 10, 1986.

Please take further notice that on March 6, 1986 at 9.00 am in Dept 86 of the above entitled court located at 111 North Hill Street, Los Angeles, California 90012, that in the within action and in Actions No. C576324 and C576416 the Insurance Commissioner will move the Court for an order approving the application for Authority to Reinsure the Business of Respondents named herein by Mission American Insurance Company pursuant to a letter agreement dated February 10, 1986.

Said applications are based upon the ground that good cause exists therefore. The applications are based upon this notice, the Applications for Authority to Reinsure the Business of Respondents by Mission American Insurance Company filed concurrently with notices in each of the above actions, the Memorandum of Points and Authorities attached to the applications, the records and files of the above actions, and other oral or documentary evidence which may be presented at the hearing of the applications.

For further information regarding the particulars of the applications, please contact: Joe A. Morton, Deputy Insurance Commissioner, Department of Insurance, State of California, 600 South Commonwealth Avenue, Los Angeles, California 90005. Telephone: (213) 736 3522.

Dated: February 13, 1986

RAYMOND B. JUE
Deputy Attorney General

EUROPEAN NEWS

Delors wants more cash for EEC budget

BY PAUL CHEESERIGHT IN BRUSSELS

MR JACQUES DELORS, president of the European Commission, yesterday signalled the start of another lengthy financial dispute in the Community with a warning that budget resources are going to run out.

In a speech to the European Parliament in Strasbourg, he also gave a ringing endorsement of the Common Agricultural Policy, spending on which dominates the EEC budget and is seen by many as the main motor behind higher and higher expenditure.

His warning came less than two months after the introduction of mechanisms increasing the flow of funds to the budget from member states. On January 1, the so-called 1 per cent VAT ceiling—which equals 1 per cent of retail sales of a common basket of goods and services in EEC countries—was raised to 1.4 per cent.

"I would be failing in my duty if I did not point out to Parliament and our 12 governments that VAT own-resources must break through the 1.4 per cent barrier if the Community is to achieve the objectives solemnly adopted in Luxembourg last December, Mr Delors said.

At Luxembourg, Community leaders undertook to take action on reducing regional disparities, strengthening the scientific and technological base of industry and improving the working environment. But they did not put any figures on their plans.

In Brussels it has been widely assumed that the 1.4 per cent ceiling will be touched within about two years. But the main reason for this is the rise in farm spending, which is set to continue this year despite proposals for a freeze on prices. The mounting problem is the cost of disposal for surplus production.

Budget - conscious countries like West Germany and Britain, which have the habit of checking the spending of every Ecu on new programmes, will certainly oppose bitterly any move to raise the 1.4 per cent ceiling. The UK may be expected to double its assault on farm spending.

Mr Delors, however, argued yesterday that the common agricultural policy "is an essential factor in promoting the economic and social cohesion of the Community of 12." For him any attempt to call into question the basic principles of the policy—market unity, Community preference and financial solidarity —"would be tantamount to destroying the contract which links the member states."

Bonn plays down Kohl inquiry

By Peter Bruce in Bonn

THE WEST GERMAN Government's publicity machine went into action here yesterday in an attempt to play down the possibility of Chancellor Helmut Kohl having to face criminal charges for allegedly lying to two parliamentary committees.

The Government has clearly been shocked at the foreign Press coverage of a decision by federal public prosecutors in Koblenz to begin investigating such charges.

A statement delivered to all foreign journalists here warned against "spectacular" commentary and pointed out that investigations by prosecutors were common in West Germany and did not necessarily imply that charges would eventually be brought.

A Greens party MP, Mr Otto Schily has made two accusations against the Chancellor:

- That he misled a parliamentary committee in Mainz last July by saying he had no knowledge of a charitable foundation that channelled funds to his Christian Democrat party;
- That in November 1984 he lied to a Bonn parliamentary committee by claiming not to know about two donations, totalling DM 55,000, given him by the Flick industrial group.

Both charges stem from wide-ranging political investigations into the so-called Flick bribery affair, in which the group is alleged to have given money to political parties in return for tax breaks.

The investigations by public prosecutors in Koblenz will concern Mr Kohl's testimony last July. The Bonn prosecutor's office has yet to decide whether to investigate his testimony about the DM 55,000.

Red carpet welcome for visitor from East

BY RUPERT CORNWELL IN BONN

MR. HORST SINDERMANN may only be the guest of the oposition Social Democratic (SPD) party, and in the eyes of some in the ruling coalition here not an especially welcome one at that—but officially Bonn is giving the red carpet treatment to the president of the East Berlin Volkskammer or parliament.

And not surprisingly. Whatever the protocol arguments which preceded his arrival yesterday for a four-day visit, Mr Sindermann is the highest ranking East German to set foot on West German soil for 15 years.

True, he is not able to see Mr Philipp Jenninger, the Bundestag president, within the parliamentary building. Such an encounter is ruled out by the absence of formal relations between Bundestag and Volkskammer.

He had to content himself with an inspection yesterday of the empty chamber. Earlier had come a meeting with Mr Hans Jochen Vogal, the SPD's parliamentary leader, in his rooms (with a picture of a divided Berlin on the wall behind them).

Then the motorcade of large dark blue Volvos from East Berlin, with its police outriders, moved off: first to lunch, and later to the Chancellery, where Chancellor Helmut Kohl spent 45 minutes longer than scheduled with his guest.

Mr Friedhelm Ost, the Bonn government spokesman, afterwards described the atmosphere of this East-West meeting as "very good." Mr Sindermann himself said that relations were improving "year by year."

Whether his trip will prove the harbinger of a visit by Mr Erich Honecker, the East German leader, is another matter, however. Mr Honecker himself raised another flutter of expectation with a most conciliatory interview at the end of January with the weekly Die Zeit; indeed June is being talked of as a possible date.

A senior Soviet official hinted strongly yesterday that Moscow might not approve of a visit to West Germany by the East Germany leader, Mr Erich Honecker, writes Leslie Colitt in Berlin. Mr Boris Ponomaryov, the central committee secretary the international relations, attacked Bonn sharply in the East German Communist newspaper for condoning "revanchism" and following an aggressive rearmament policy. Mr Honecker's first planned visit in September, 1984, was abandoned under pressure from Moscow. A senior diplomat at the Soviet embassy in East Berlin said yesterday that he had heard nothing about Mr Honecker planning a visit to West Germany. "We shall wait and see." This sceptical reaction was similar to that of Soviet diplomats when asked about the same subject in 1984.

Ozal gives warning on Cyprus settlement

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

PRIME MINISTER Turgut Ozal of Turkey yesterday made clear there was little prospect of a Cyprus settlement as long as the northern Turkish part of the island was boycotted by the international community.

Addressing the Royal Institute of International Affairs on the third day of his official visit to Britain, Mr Ozal said that both the Cyprus problem and the disagreements between Turkey and Greece could be settled through negotiations. In particular, Turkey supported the "good offices" mission of Mr Javier Perez de Cuellar, the UN Secretary-General, under whose auspices talks on Cyprus at official level are due to resume shortly.

However, as long as the Greek Cypriot administration was recognised as the sole representative of the island while the northern part, which declared itself independent unilaterally in 1983, was treated as a "non-entity," there was no political incentive for the Greek side to engage in negotiations, Mr Ozal claimed.

Nor did he think that the Greek Cypriots had any economic incentives to negotiate with Turkish Cypriots as long as the booming Greek Cypriot economy, "fuelled by foreign aid and loans," gave the Greek side a vested interest in keeping things as they were.

Turkish troops would remain in northern Cyprus until an agreement was reached which would guarantee the rights of Turkish Cypriots, Mr Ozal said.

He also made a strong plea for Turkey's eventual full membership of the European Community. Turkey could not be regarded as an outpost of Nato, he said. It should take its place in "the economic and political integration of Europe."

Turkey's whole economic policy, including the opening of its markets to foreign competition and the modernisation of its industrial structures, was geared to preparing the economy for EEC membership.

Mr Ozal went out of his way to counter suggestions by questioners that Turkey was still far from being a democratic state and that its human rights record left much to be desired.

He reminded his audience that his country was in a state of politcal, social and economic chaos in 1980, before the last military coup took place. It now had a freely elected parliament and a free Press which criticised him every day, and more than 175 police and security officers were currently in jail for human rights offences, Mr Ozal maintained.

Inflation rate declines in Italy

Italy's official inflation rate is dropping. Last month the consumer price index rose at an annual rate of 8 per cent, compared with an increase of 8.6 per cent in December, also measured on an annual basis, writes James Buxton in Rome.

The January monthly rise of 0.5 per cent is based on a revised basket of consumer goods. The old index (1980=100) had reached 197.4 by the end of last year.

Food and drink constitute 30.92 per cent of the goods in the new basket, against 34.97 per cent in the old. In its first month the index rose from 100 to 104.

French trade surplus

France had a visible trade surplus of FFr 3.5bn ($486m) last month on a seasonally adjusted basis, according to the Trade and Industry Ministry, writes Paul Betts in Paris. This follows a larger-than-expected FFr 3.4bn deficit in December. That brought the 1985 total deficit to FFr 24bn, similar to the year's before.

Labour less mobile

Slower economic growth has made the French less willing to change jobs, according to Insee, the official statistics bureau, writes David Housego in Paris. It reports that while 77 per cent of male employees and 73 per cent of female held the same job in 1977 as in the previous year, the proportions last year rose to 81 and 80 per cent. The proportion of women working rose to 63 per cent in 1982 from 44 per cent in 1968.

Iceland strike threat

Iceland's 60,000-trong trade union federation said yesterday it might call a strike if its demands for wage rises of 8 per cent after inflation were not met by this weekend, Reuter reports from Reykjavik.

Fewer escape

The number of East Germans who escaped across the border to West Germany last year dropped to 30, compared with 54 in 1984, writes Leslie Colitt. It was the lowest figures since the Berlin Wall was built in 1961. Many more escaped, however, via third countries or failed to return from trips to the West.

Storm in France over constitutional court appointment

BY DAVID HOUSEGO IN PARIS

PRESIDENT FRANCOIS Mitterrand yesterday provoked a political storm in France by naming Mr Robert Badinter, the Minister of Justice, as head of the Constitutional Council. Mr Mitterrand will thus have one of his close associates in charge of the supreme legislative court during the period of conflict that could follow the March parliamentary election when a Socialist President is likely to be faced with a right-wing majority in the National Assembly.

The nine-member Council has the tasg of ensuring that legislation conforms with the Constitution. After the election it could be called on to pronounce on aspects of the Right's privatisation programme or its attempts to accelerate legislation by resorting to decree.

The opposition immediately took the move as further confirmation that Mr Mitterrand intended to make its task difficult if it wins the election. The President has already indicated that he intends to remain "active"—retaining for himself a substantial role in foreign policy and as guarantor of what he called "social harmony."

Mr Francois Leotard, one of the principal opposition leaders, described the appointment as giving "an inadmissible political character to the pivot of our institutions." He accused the President of transforming the Constitutional Council into an "apparatus of political warfare" during the period of potential power sharing between the President and the National Assembly.

Mr Jean-Claude Gaudin, president of the centrist UDF party, said that the head of the Constitutional Court had to be like Caesar's wife "beyond reproach and suspicion." He described Mr Badinter's appointment as further proof of Mr Mitterrand's involvement in the electoral battle.

Mr Jacques Chirac, the Mayor of Paris and the man most widely favoured as Prime Minister after March, declined to be drawn into a direct confrontation. He said he had every reason to believe that Mr Badinter would remain faithful to his constitutional duties and above the political battle.

Italian energy chief calls for oil production curbs

BY DOMINIC LAWSON

THE CHAIRMAN of ENI, the Italian state energy group, yesterday urged oil producers outside the Organisation of Petroleum Exporting Countries to assist Opec in production controls to support the oil price.

This is the first time that a representative of the oil consuming nations has called for co-operation with Opec, which last month in Vienna warned that a further price collapse was inevitable unless non-Opec producers cut output.

Mr Franco Reviglio, the ENI chairman, said in Frankfurt yesterday that if prices hold or slide further the consequences for the world economy would be catastrophic. Yesterday the spot price of Brent, the main North Sea crude, fell to a 6-year low of $14.60 a barrel, for a cargo for delivery in April.

Oman, a non-Opec producer with an output of 500,00 b/d, said yesterday it would join with Opec in production cuts if other producers outside the organisation did the same. A similar stand has been taken by Norway whose Oil Minister, Mr Kaare Kristiansen, yesterday held talks in London with Mr Peter Walker, the UK Energy Secretary.

The latter is likely to have repeated that Britain is implacably opposed to any enforced cut in its North Sea production, currently running at 2.7m b/d.

Venezuela's Oil Minister and current Opec president, Dr Arturo Hernandez Grisanti, warned yesterday that his country might have to abandon control over its prices and adopt the "netback" sales policy used by Saudi Arabia to increase its share of the oil market.

Oman seeks Tornado delay, Page 6

AMERICAN NEWS

Volcker hopes for growth with stability

MR PAUL VOLCKER, the US Federal Reserve Board chairman, yesterday delivered his semi-annual report on US monetary policy and the economy to the House Banking, Finance and Urban Affairs committee. The following are edited extracts of his remarks:

"Nineteen eight-six has begun with the economy continuing to move forward after more than three years of expansion. Unemployment has continued to fall. Happily, the continuing expansion has so far been achieved while inflation remained at the lowest rate in more than a decade.

"Looking ahead, there are some highly encouraging signs as well. The larger employment increases in recent months are reflected in relatively confident attitudes by consumers. Manufacturing output as a whole, which had been sluggish during much of 1985, is again rising even though many areas continue to face strong competition from abroad.

"Lower interest rates and higher stock prices — buoyed in part by the action of Congress in improving prospects for declining federal deficits in the years ahead — have made it less expensive to finance new investment and housing.

The sharp break in oil prices should be an important force *cutting costs and prices in the period immediately ahead*, in the process releasing real purchasing power to US consumers. Moreover, changes in exchange rates and the welcome initiatives taken by the Congress and the Administration toward budgetary restraint offer the potential for dealing with two of the major and interrelated, imbalances in the economy—the enormous fiscal and trade deficits.

Altogether, the opportunity clearly remains for combining sustained expansion with greater price stability in the period ahead, building on the progress of the past three years.

In my judgment, the present expansion — already longer than the postwar average for peacetime years — is not about to die from old age or sheer exhaustion. We don't have the pressures on capacity, the excess inventories, the accelerating costs and prices, or the rising interest rates that have typically presaged cyclical downturns in the past.

Yet, any claim that we live in an economy in which every prospect pleases would be idle pretence. There are evident points of economic pressure and financial strain, some of them aggravated by the sharp decline in oil prices itself. While the adverse trends are being changed, the deficits in our budget and trade accounts will take years to correct. And, we have long since passed the time when we could, with any validity, insulate ourselves from the difficulties of neighbours and trading partners to which we are bound by strong ties of finance and trade.

Most of these threats, in magnitude and in combination, are unique, certainly in our postwar experience. They demand our full attention if we are to deal with them successfully.

Take, for instance, the trade problem. The dollar had risen to extraordinarily high levels by early 1985, with the effect of undercutting our trade position vis-a-vis major industrial competitors.

No doubt, given the extreme values the dollar had attained internationally in 1984 and early 1985, an adjustment in exchange rates has been a necessary part of achieving a better competitive equilibrium and of responding to destructive protectionist pressures.

But we also know, from hard experience here and abroad, that changes in actual trade flows necessarily lag changes in *exchange rates by a period* extending into years, that currency adjustments can assume a momentum of their own, and that sharp depreciation in the external value of a currency carries pervasive inflationary threats.

Improvement in our trade balance for the next year or longer is in large part dependent not on depreciation of our currency but on greater growth by our trading partners. More competitive pricing is of limited value when foreign markets are not growing strongly, and when producers abroad do not themselves have expanding, profitable markets at home. Prospects in that respect remain quite mixed.

Should oil prices remain close to present levels, that development will also be a powerful force offsetting, and in the short-run probably more than offsetting, the direct and indirect effects of the lower international value of the dollar on our overall price performance.

Sectoral strains and imbalances point up the crucial importance of maintaining the essential safety and soundness of our financial system, and in particular our depositary institutions. For a long time, that was something we in this country thought we could take for granted.

Today, measures to protect the basic financial fabric necessarily assume a high priority, and that effort will require appropriate action by the Congress as well as the regulatory authorities.

Over the course of 1985, monetary policy remained in a generally accommodative mode in the sense that pressures on bank reserve positions were both limited and little changed.

Looking ahead to 1986, the Fed Open Market Committee decided to take account of the greater uncertainty associated with the relationship between M1 and economic activity and prices by adopting a relatively broad M1 target range of 3-8 per cent. While wider, that range is centred on the same midpoint, 5½ per cent, as the tentative 4-7 per cent range set out last July.

Growth toward the upper end of the range could well be appropriate. More broadly, the Committee agreed that changes in M1 would be evaluated in the light of the presence—or absence—of confirming evidence of excessive growth in M2 and M3. For both those aggregates, the tentative growth ranges of 6-9 per cent set in July were reaffirmed.

The challenge for monetary policy is to help assure that those favourable prospects for maintaining progress toward stability can be a reality in the context of a growing economy. The implementation of policy will be conducted in the light of that objective.

The decline in oil prices has presented an enormous new chalenge to a few contries that have been heavily dependent on oil resources for the development of their own economies. The problem is particularly acute with respect to Mexico, with which we have close trade and financial relationships, but it is certainly not limited to that country.

In the broadest terms, the initiatives outlined by Secretary Baker some months ago for managing a "second stage" of the international debt crisis provide a constructive and needed overall framework for dealing with problems.

We have come too far, and the stakes are too high, to fail to rise to the evident new challenges. We have to recognise that depreciation of our currency does not in itself provide a fundamental solution, and is in fact a two-edged sword.

The budgetary effort must be sustained. If we expect to benefit from the break in energy prices, we must collectively respond to the points of strain.

We need to be patient when patience is required. The trade and budgetary and financial problems will be with us for some time; at the same time, we need to be insistent in carrying through the measures to deal with them constructively.

ECONOMIC PROJECTIONS FOF 1986

	FOMC† members and other FRB‡ Presidents: Range	FOMC† members and other FRB‡ Presidents: Central tendency	Administration	CBO§
	(Percent change, fourth quarter to fourth quarter)			
Nominal GNP	5 to 8.5	6.5 to 7.25	8	7.6
Real GNP	2.75 to 4.25	3 to 3.5	4	3.6
Implicit deflator for GNP	2.5 to 4.5	3 to 4	3.8	3.9
Uemployment rate (4th qtr %)	6.25 to 6.75	About 6.5	6.7	6.7*

* Civilian unemployment rate. † Federal Open Market Committee. ‡ Federal Reserve Bank. § Congressional Budget Office.

Bank ordered to stop commercial paper activities

BY WILLIAM HALL IN NEW YORK

A US federal court has ordered Bankers Trust, the big US money centre bank, to stop selling commercial paper on behalf of clients — in a move which could throw the $300bn market in short-term debt into chaos.

The court in Washington issued a permanent injunction preventing Bankers Trust from distributing commercial paper. It will take effect on March 1 unless the bank can successfully appeal against the decision.

The injunction comes just a fortnight after a federal court ruled that Bankers Trust's commercial paper activities violated federal law.

US banks are prohibited from underwriting US securities by the Glass-Steagall Act, which was put in place over 50 years ago to separate commercial bank sand investment banks following widespread abuses.

The Fed has said that Bankers Trust's operation does not constitute underwriting of corporate securities. However, the court has ruled that the Fed is wrong and only the US Congress can allow banks to operate in the US commercial paper market.

The case is being watched closely by all of the major US banks which had followed Bankers Trust into the US commercial paper market. The court's ruling reverses the decision of the US Federal Reserve which had earlier permitted Bankers Trust to distribute commercial paper.

While the granting of the permanent injunction is being regarded as a victory for the US securities firms, which are worried by the inroads big banks are making into their traditional territory, bankers are still confident that at the end of the day they will be allowed to continue distributing commercial paper.

The rapid growth of the commercial paper market in recent years has caused US banks considerable concern since many of their customers now prefer to raise money by issuing commercial paper, rather than borrow from the banks.

Bankers Trust has led a move *to recapture some of this business* by placing commercial paper for corporate clients with investors.

Latin Americans aim for debt concession

BY JIMMY BURNS IN BUENOS AIRES

LATIN AMERICAN debtor nations are expected to press for interest rates below the market rate on the region's $370bn (£264bn) foreign debt when they meet in the Uruguayan resort of Punta del Este next Wednesday.

But senior economy ministry officials in Buenos Aires said yesterday that there is no agreement yet as to whether the 11 members of the Cartagena group should jointly spell out a specific rate CAP unilaterally or opt for a vaguely phrased proposal, without specific figures, as a basis for future negotiations between individual countries and commercial banks.

Mexico is reportedly considering seeking an interest rate ceiling of 6 per cent compared to the London inter bank Libor rate of just over 8 per cent, and is likely to attempt to secure support for this at next week's meeting, according to officials in Buenos Aires.

Argentina however, is being more cautious. In an interview published yesterday in the daily La Nacion, Mr Juan Sourrouille, Economy Minister, said only that he was broadly in favour of the position already taken publicly by the Cartagena group at its meeting in Montevideo in December.

He said that a distinction should be made between old and new debt, with preferential interest rates being charged on the former. New debts would refer only to loans yet to be negotiated.

Economy Ministry officials yesterday denied that Argentina had decided to spearhead a move to fix interest rates at 2.5 percentage points below Libor as some reports had claimed earlier this week. "We have not yet fixed our position," said one official

US housing starts rise by 15.7% in January

THE PACE of US homebuilding accelerated sharply in January, rising 15.7 per cent for the largest increase in nearly two years, the Commerce Department reported yesterday, Reuter reports from Washington.

It was the biggest gain in US housing starts since a 17 per cent advance in February 1984 and provided further evidence that the economy was strengthening, the department said. Housing starts rose 9.1 per cent in December.

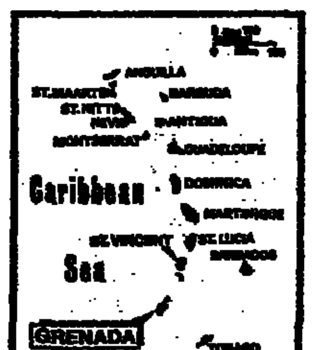
The annual rate of home starts was 2.09m in January, up from 1.8m in December. In 1985 work began on 1.74m houses.

Permits for home construction, a barometer of future housing activity, fell 0.2 per cent in January.

Victor's laurels await Reagan in Grenada

BY REGINALD DALE, US EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan goes to the tiny "spice island" of Grenada today for the modern equivalent of a Roman Emperor's triumph. It is a trip that he has long been relishing.



Grenada is the scene of what Mr Reagan regards as the greatest foreign policy success of his first term in the White House—the October, 1983, US invasion that, in Washington's eyes, reclaimed the island for democracy from Cuban- and Soviet-backed communism.

But what makes Grenada particularly special for Mr Reagan is that its 92,000 inhabitants overwhelmingly welcomed the US intervention, making it a historical rarity in the Western Hemisphere.

Informal polls on the island suggest that between 95 and 99 per cent of the population remain enthusiastic supporters of Mr Reagan, and there is no doubt that his welcome will be ecstatic.

Mr Reagan regards the one-day visit as being of "special significance." The US "rescue mission," he says, "gave those who export tyranny a lesson they won't soon forget."

At the time, Washington insisted on calling the invasion a "rescue mission" to save some 1,000 American citizens, most of them medical students, whose lives were thought to be at risk. Since then, the operation has been hailed by American right-wingers as living proof of the *fallibility of the Brezhnev Doctrine*—that once a country has become communist it must stay so.

Mr Reagan's visit will be loaded with symbolism. He is to lay a wreath at a memorial to the 19 US servicemen killed in the invasion, just 100 yards from where American helicopters landed on the beach to evacuate the medical students.

He will unveil a plaque dedicating the new Point Salines international airport, begun by the Cubans and finished by the Americans, which was a focal point of American concern long before the perceived threat arose to the medical students. With its 10,000 feet runway, Washington feared that the airport would in practice be used as a staging point for Cuban and possibly Soviet military aircraft on their way to intervene in Central America.

But Mr Reagan, who plans to spend just four hours and ten minutes on the island, also has business to do. He will attend a brief mini-summit of nine leaders of English-speaking Caribbean countries to reaffirm Washington's commitment to the economic development and security of the region at the highest level.

He is unlikely to have much concrete to offer in response to the Caribbean argument that regional security will best be guaranteed by economic prosperity, fostered by increased US aid and trade preferences. The pressures generated by the new Gramm-Rudman budget balancing law in Washington mean that US aid to the Caribbean is, if anything, likely to decline.

Mr Reagan can be counted on, however, to sing the praises of his Caribbean Basin Initiative (CBI), which provides for duty-free entry to the US for a range of Caribbean products and started operating in January 1984, even though Washington admits that the results so far have been "mixed."

As for Grenada itself, Washington points with pride to figures which show it growing faster than any other Caribbean island last year. Economic growth rose from zero in 1984 to 3 per cent in 1985.

As the island recovers and capitalism takes root in the shape of new hotels and small businesses, US aid, totalling some $74m (£52m) since the invasion, will taper off. Both because of Gramm-Rudman and because of Grenada's "reduced need," only $20m is planned in aid for the *island this* year.

That should help to determine whether Grenada has the virtue required to qualify as the ultimate Reaganite showcase—the ability to stand on its own feet.

Haiti to annul agreements made by Duvalier regime

BY CANUTE JAMES IN KINGSTON

THE INTERIM government in Haiti has said it will annul all financial and economic transactions agreed during the past six months by the Government of Mr Jean-Claude Duvalier, the former president who fled the country 15 days ago.

This is not expected to affect bilateral pacts under which the West German Government is rescheduling repayment of loans of DM 25m (£8.3m) or agreements for aid which Mr Duvalier claimed in January he had reached with the International Monetary Fund, the Wolrd Bank and the governments of France and Japan.

It could, however, affect plans by a cruise ship company to spend $16.5m (£11.7m) in developing a resort in the north of the country, the operations of Air Haiti, owned by Mr Ernest Bennett, the former president's father-in-law, and agreements by Mr Bennett to sell Haitian coffee abroad.

The announcement follows increasing charges from opposition political leaders and youth groups that the interim administration was made up of neo-Duvaliarists and that there was little effort to increase the pace of political and economic change in the impoverished French - speaking Caribbean republic.

In answering its critics Mr Gerard Gourge, Justice Minister, said that the administration is also to seize all property left behind by Mr Duvalier and his family and has given all companies in which the family was involved a fortnight to declare these involvements or have their assets and properties seized.

The Duvaliers' properties are said to include several mansions, cars and yachts. Colonel Max Valles, the Information Minister, has promised protection for students wanting to attend school following a day in which anti-Government protests brought Port-au-Prince, the capital, to a halt.

OVERSEAS NEWS

Tension rises as Israelis continue hunt for soldiers

BY ANDREW WHITLEY IN TEL AVIV AND NORA BOUSTANY IN BEIRUT

THE DANGER of open fighting in southern Lebanon involving the Lebanese Shi'ite militia Amal, rose sharply yesterday as heavily armed Israeli forces continued their hunt for two captured Israeli soldiers for a third successive day.

A UN official warned that tension was rising as Israeli forces carried out a house-to-house search of a number of villages north of the security zone in southern Lebanon as a deadline for the execution of one of the Israeli prisoners approached.

The Islamic Resistance Front, a coalition of fundamentalist factions led by Hezbollah, the Party of God, has threatened to kill one of two Israelis wounded and seized in an ambush on Monday if the large-scale Israeli sweep into southern villages is not halted.

Israel has vowed to press on with a thorough search for the missing Israelis until they are found. In this latest operation, Israel sent troops backed by tanks and helicopter gunships several miles north of a self-proclaimed security zone. About 300 residents have been rounded up for questioning.

The Shi'ite Amal movement yesterday said four of its men had been killed and eight seriously wounded in clashes with the Israelis.

Amal fighters said they were trying not to engage in head on confrontation with Israeli armour but would concentrate their attacks on isolated patrols in the countryside.

In Beirut, an underground Shi'ite group calling itself the Organisation for the Oppressed on Earth said it had killed yet another Lebanese Jew, kidnapped a year ago.

Dr Elie Hallak, 58, a physician and the vice-president of the higher council for Lebanon's small Jewish community was executed "in response to the terrorist operations Israel is conducting against our oppressed villages in south Lebanon."

On Saturday, the same group claimed responsibility for the killing of Ibrahim Benesti, who it accused of spying for Israel.

Dr Hallak is the fourth Lebanese Jew to be killed by the secret organisation.

Yesterday three Spanish embassy officials kidnapped last month in the Moslem-controlled sector of Beirut were freed.

Star Wars chief seeks participation of Israel

BY ANDREW WHITLEY IN TEL AVIV

THE HEAD of the US Star Wars Strategic Defence Initiative, Lt-General Daniel Abrahamson, said here yesterday that Israel could help in the programme because of its experience in the field of defence against short-range missiles.

Gen Abrahamson is in Israel on a three-day visit at the invitation of General David Ivri, head of the state-owned Israeli Aircraft Industries.

He said yesterday several local companies were on the verge of signing contracts with the Pentagon in connection with research on the SDI programme.

Israel is keen to get involved in the programme for both technological and military reasons, in the light of the spin-off benefits likely to result for conventional military grammes.

Speaking to local industrialists and military men in Tel Aviv, Gen Abrahamson said Israel had done experimental and theoretical work in small, free-election lasers, which was of great interest to the SDI programme. He invited Israel to participate in a Californian free-election laser project.

Baghdad resumes intensive air strikes

IRAN said yesterday its troops were continuing their westward advance into southern Iraq as Iraqi warplanes, grounded by bad weather on Tuesday, resumed intensive air strikes aimed at stemming Iran's 10-day-old offensive, Reuter reports from Bahrain.

With its army making little headway against Iranian troops holding a wide area of the Faw Peninsula in the south, Baghdad said its war planes were hammering Iranian supply lines and equipment dumps

Iraqi jets also hit an Iranian naval base in the northern Gulf and oil installations at Ganaveh, opposite Kharg Island on Iran's Gulf coast, Iraqi military communiques said.

Tehran Radio said Iranian troops had advanced further towards an Iraqi naval base at Umm Qasr on the Kuwait border.

Punjab clashes

Sikh extremists killed six Hindus yesterday in a series of attacks which threatened communal peace in India's northern Punjab State, Reuter reports. Police said five people were wounded in the attacks and six more were wounded when police opened fire to break up clashes between Sikhs and Hindus in the town of Batala.

31 killed in blast

Thirty-one Sinhalese farmers and four Sri Lanken soldiers were killed yesterday in a landmine explosion on a road in the north-east district of Trincomalee, writes Mervyn de Silva in Colombo. They were travelling to a market town in a convoy with an army escort. At least 30 others were reported injured.

Japan output rise

Japan's December industrial production index (base 1980) was revised downward to a seasonally adjusted 122.0 from a preliminary 122.1, the Ministry of International Trade and Industry said yesterday, Reuter reports from Tokyo. The revised December index was 1.6 per cent up on November. It was also 1.6 per cent up from a year earlier.

Chris Sherwell assesses the likely effect of the Philippines boycott campaign

Marcos business cronies under attack

WHEN Mrs Corazon Aquino unveiled a seven-point programme of non-violent protest to her supporters in Manila last weekend, three of the steps were directed specifically at President Ferdinand Marcos's closs business associates—disparagingly known in the Philippines as "cronies."

Over the 20 years of Marcos rule these friends and relatives of the President have acquired extraordinary wealth and influence through official favours, privileges and connections. Though some have fallen by the wayside, costing the country dearly in the process, those who survive have prospered spectacularly.

They are now key targets in the escalating civil disobedience campaign being led by Mrs Aquino, who remains convinced that she won the disputed Presidential election held on February 7 and that Mr Marcos cheated his way to proclamation as President.

At her "people's victory" rally last Sunday, Mrs Equino urged Filipinos to stage a general strike after Mr Marcos is inaugurated as President next week. Her immediate call, however, was for a boycott of seven banks, four newspapers and the products of San Miguel Corporation, the food and beverage business which is the country's largest manufacturing company.

While some of the banks, like the Philippines National Bank, are targeted because they are Government-controlled, the obvious focus of the call is a tiny group of Mr Marcos's best-known and longest surviving cronies.

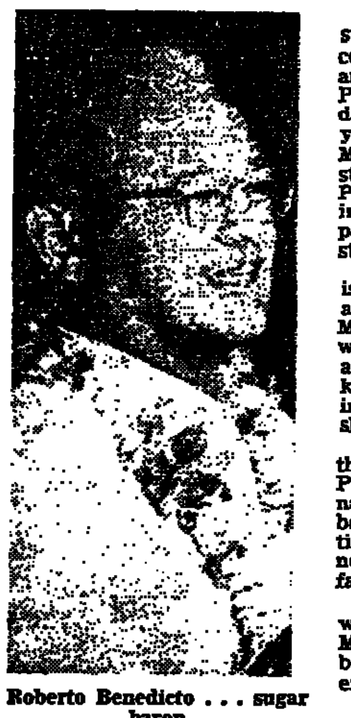
The most important of these is Mr Eduardo Cojuangco, chairman of San Miguel and the country's "coconut king." who is widely regarded as one of the most influential men in the Philippines.

As producer of the most popular beer in the Philippines, San Miguel contributes hugely to the Government's tax revenues. It is involved in the production and marketing of Coco-Cola and well-known brands of milk, butter and ice-cream, and in numerous sectors of agribusiness.

The coconut industry, the Philippines' most important export earner, is completely dominated by Mr Cojuangco. He has vast areas of land planted to coconut, buys up much of the crop, owns most of the country's mills and dominates the copra and coconut oil trade. He also heads the United Coconut Planters Bank (Cocobank), a key financing agency.

Ironically, Mr Cojuangco is also first cousin of Mrs Aquino. Although the family have been split for years, and Mr Cojuangco firmly delivered its home province of Tarlac to the President in the election, some people think Mr Cojuangco's corporate power would sustain his influence even if Mr Marcos were to leave office. Either way, he is seen as a power behind the throne, and a kingmaker.

A second important crony targeted by Mrs Aquino is Mr Roberto Benedicto, known as the country's "sugar baron." Like Mr Cojunagco, he also has interests which stretch beyond a key commodity, in his case into hotels, shipping and insurance.



Roberto Benedicto . . . sugar baron

Mr Benedicto also controls Republic Planters Bank, which is linked to the sugar industry, and Traders Royal Bank, both of which were listed by Mrs Aquino along with Mr Cojuangco's Cocobank. Mr Benedicto also owns the Daily Express, one of the four newspapers named by Mrs Aquino.

Mr Benedicto's fortunes have suffered recently because of the collapse of world sugar prices and the slump in tourism in the Philippines — he owns the Holiday Inn hotel in Manila. Last year he also had to surrender a Manila radio and television station to Imee Marcos, the President's daughter. But his influence in the Presidential palace is believed to remain strong.

A third key Marcos associate is Benjamin "Kokoy" Romualdez, the brother of Mrs Imelda Marcos, Mr Marcos's powerful wife. He is the Philippines ambassador to Washington, a key appointment given the importance of the US relationship.

Mr Romualdez's newspapers, the Times Journal and the People's Journal, were also named by Mrs Aquino in her boycott call, along with Bulletin Today, a pro-Government newspaper in which the Marcos family has an interest.

Mrs Aquino speaking at a well-attended rally outside Manila yesterday, claimed the boycott was already proving effective.

The Bulletin newspaper, which quickly lost 19 advertisers and some circulation this week, was prompted to protest in a front-page editorial after one day of the boycott. The other newspapers are weaker, and their profitability must now be in question as politically-minded news vendors refuse to hold or deliver them.

Shares of San Miguel weakened sharply on Monday from 14 pesos to 11.50 pesos, and crept back fractionally in the following two days. But these price levels are well below the peaks of more than 30 pesos seen a few years ago. San Miguel's sales could suffer if consumers are prepared to go without beer and soft drinks or, just as important, if retailers and restaurateurs are prepared to run down stocks.

Senior businessmen are doubtful whether the boycott can actually work, saying it is not a proven political weapon in the Philippines. Certainly one foreign supplier which counts San Miguel as an important client would not support the boycott because it would ultimately hurt his own shareholders.

The boycott moves, however, are a long way short of what Mrs Aquino still has open to her. Key advisers say they have deliberately avoided naming other cronies to keep the focus sharp and to demonstrate "people's power" to any doubting supporters. They add that pleas are now coming in from other likely targets asking what they should do to keep it this way.

Beyond this there is plainly plenty of potential for Mrs Aquino to intensify the protest campaign over the next few crucial weeks. "Although unarmed," she said when she announced her first measures on Sunday, "I feel like the young boy David prepared to face the giant Goliath . . . if you are with me, and if Goliath refuses to yield, we shall keep digging into our arsenal of non-violence and escalating the non-violent struggle."

Seoul police surround opposition headquarters

BY STEVEN B. BUTLER IN SEOUL

SOUTH KOREAN police yesterday moved in police reinforcements to surround the headquarters of the opposition New Korea Democratic Party (NKPD), in what party members expected to be an attempt forcibly to prevent a scheduled meeting today of the party's central commitee.

The meeting was called to discus the broadening of a signature campaign to revise South Korea's constitution to allow for a direct election of the president.

The Government has declared the campaign and every action associated wtih it illegal and police have launched a massive crackdown to prevent the campaign from getting off the ground.

Mr Chun Doo-hwan, the president, has repeatedly refused to consider any constitutional revision before his term of office ends in 1988.

In the past three days police have detained 112 dissidents and opposition members, according to the NKPD. By yesterday 27 were still in custody, although an unknown number were released during the day. They may still be subject to formal charges.

Angola attacks Unita aid pledge

ANGOLA said yesterday the Reagan Administration's decision to arm South African-backed Unita rebels amounted to a "declaration of war" on the Luanda Government, Reuter reports from Luanda.

"It can only lead to an escalation of violence in southern Africa as Washington continues to increase cooperation with Pretoria," Angola's official radio said.

Mr Chester Crocker, Washington's Assistant Secretary of State for African Affairs official, said on Tuesday that "both moral and material assistance" would be given to Unita.

Johannesburg township calm after Tutu appeal

BY ANTONY ROBINSON IN JOHANNESBURG

THE black township of Alexandra in thenorthern suburbs of Johannesburg was quiet but tense yesterday after negotiations between church leaders, led by Bishop Desmond Tutu, and the police. Both sides appealed for calm.

However, eyewitenesses said that police shot dead three children, aged between 12 and 14, bringing the death toll in four days of violence to at least 22.

Much of the credit for helping to defuse the tension in the township has been attributed to Bishop Tutu, who at considerable personal risk, addressed a large crowd at Alexandra stadium on Tuesday.

The crowd agreed to disperse quietly after police undertook to reduce the large army and police presence in the township, allow residents to visit the mortuaries to identify the dead, and stop making house-to-house searches at night.

Meanwhile, police reported several violent incidents in townships in widely scattered parts of the country, including a hand grenade attack on a policeman's house in Mamelodi near Pretoria.

WORLD TRADE NEWS

US and Europe head for trade war of words

BY CHRISTIAN TYLER, TRADE EDITOR

A TRANSATLANTIC trade dispute over the printed word is about to engage the attention of politicians in the US and Europe.

The EEC is enlisting the support of printing companies throughout Europe to challenge an American prohibition on the importation of books by US authors printed abroad.

As part of that campaign, the British Printing Industries Federation will today suggest ways of retaliating against the prohibition in talks with the UK Department of Trade and Industry.

The dispute has been enlivened by the tabling of a Bill in the US Congress by Senator Strom Thurmond, a right-wing Republican from South Carolina. According to the British, Sen Thurmond's bill would replace a measure dating back to 1891, but due to lapse in July, with an even tougher proposal.

His amendment to the US manufacturing clause of the US Copyright Act would prohibit the import not only of books but of any printed words penned by American writers.

The British are reluctant to suggest to the EEC that the retaliation should be in kind. They would like to abide by the terms of a Unesco convention — the 30-year-old Florence Agreement — that cultural material should not be subject to import tariffs.

Instead, the BPIF will suggest taxing or restricting US imports of goods in which there is a lot of packaging.

The British claim that European printers are being denied access to a huge market worth $34bn a year. If the ban were lifted, they would expect to take some 30 per cent of the import market, or around $250-300m worth a year.

A disputes panel of the General Agreement on Tariffs and Trade ruled in 1984 that the US prohibition was in breach of Gatt rules. The decision was accepted by the US Administration and it was widely assumed that the measure would be allowed to lapse.

But last month the EEC fired off a second protest to Washington, warning the Administration of retaliatory action.

The American printing industry has protested that if the protection were lifted, then 172,000 jobs in the US would be lost.

Tony Walker examines a business chief's suggested solution to Israel's trade deficit problem

Israel looks to its high-tech entrepreneurs

MR STEF WERTHEIMER, head of the successful Iscar group which makes most of its money from manufacturing precision cutting tools, has a straightforward plan to wipe out Israel's big trade deficit of about $2bn in 1985.

It is to encourage a new Israeli entrepreneurial class to create export-oriented businesses in the technical field that will double the numbers of those engaged in manufacturing products for export.

Mr Wertheimer, sometimes referred to as the "Godfather of high-tech" in Israel, estimates that the whole Israeli export effort involves just 60,000 people out of a total population of just over 4m.

"What we've got to do is to get some Israelis back from Silicon Valley (in the US) and get a few more companies going," said Mr Wertheimer, whose motto is "Small is beautiful."

The German-born entrepreneur, who went to Israel in 1937, started Iscar 34 years ago. With annual sales of about $100m, it is one of Israel's most successful private companies and proof, according to Mr Wertheimer, of what can be achieved.

Politicians are using companies such as Iscar as models for a concerted drive to build up local-based industry to provide well-paid jobs for skilled Israelis who have been deserting the country in droves for better opportunities elsewhere.

It is estimated that thousands of Israeli technicians are working in the US where they can earn at least four times the salaries available in Israel. A second, and by no means less important, aim of efforts to encourage new export industries is to reduce Israel's awesome dependence on US aid.

Mr Gad Yaacobi, Minister of the Economy, said the Government was providing matching grants, where appropriate, for all industries, but was particularly keen to encourage high-tech businesses with export potential.

Mr Yaacobi said the sector was extremely dynamic, achieving growth rates since the early 1970s of between 12 and 15 per cent, compared with gross national product growth of 1 to 3 per cent. Sales of high-tech items climbed from about $200m in 1974 to $1.5bn a decade later.

"The development of high-tech is not just an outcome of government policies," Mr Yaacobi said. "First of all, it is due to the entrepreneurs."

World Technologies Investments (WTI), which has its headquarters in Tel Aviv surrounded by some of the cream of Israel's high-tech companies such as Scitex and Laser Industries, was established to extend the frontiers for the entrepreneur by helping to raise funds for new projects and by providing services such as project-supervision.

Mrs Rina Pridor, managing director of WTI, whose original shareholders included Control Data of the US, says one of her company's principal aims is to encourage American "tax shelter" investment in Israeli high-tech ventures.

Altogether, WTI has raised $25m in the US, which Mrs Pridor describes as a "very respectable sum." Seed money has been provided for 25 projects in 22 companies and, she says, the "first birds are flying."

Among these initial successful operations is Oshap Technologies in the Tel Aviv coastal suburb of Herzliya, which designs automation systems (robotics).

Oshap recently concluded an agreement with General Motors to market its systems in the US.

Mrs Pridor said progress was slow in bringing new projects to fruition and her organisation had to feel its way in selecting new ventures. "We've made mistakes," she says. "We are now concentrating on highly sophisticated products, not mass-produced items and not consumer goods which are done much better by countries like Taiwan and Hong Kong."

One of Israel's acknowledged weaknesses in the high-tech field is in marketing products.

WTI has a success rate of about 40 per cent. "We break even," Mrs Pridor said. "We even show profits, but we have not become rich yet."

A warning to fledgeling Israeli high-tech industries of the precarious nature of their business was the near-collapse last year of Elscint, which manufactures medical imaging equipment and has a workforce of about 2,500.

It reported a $33m loss on fiscal 1985 sales of $147m. Its bank debts alone totalled $150m.

Mr Yaacobi blamed Elscint's difficulties on "mismanagement." The Israeli Government has helped to bail out the company with a $35m loan at a preferential interest rate.

Other established high-tech companies have also experienced difficulties, partly because of a squeeze on Israeli defence expenditures.

Last October, the newsletter High-tech Report published an index showing that shares in 10 prominent high-tech companies were down 25 per cent on the previous year.

Despite such setbacks, a vibrant research and development effort is constantly bringing forward new products.

Medical Machines for Export (MME), headed by Mr Yechiel Sheffer, previously employed in the defence sector, is developing a machine that treats tumours with deep and concentrated heat.

Mr Sheffer, whose machine is at an advanced stage of development, is typical of many highly skilled former defence technicians who are trying their luck in the commercial world.

"I wanted to create something from the beginning in my way," he said in his sparse office in a run-down Tel Aviv neighbourhood. "It is the challenge."

Saudi venture faces penalties on contracts

BY FINN BARRE IN RIYADH

THE SAUDI joint venture involving John Laing and George Wimpey, two of Britain's largest consrtuction companies, is facing penalties from the Sauli Arabian Government which claims failure to complete contracts.

Mr Mohammed Al-guwaihes, Director-General of the Ministry of Health's department of projects and maintenance, said the joint venture, Laing Wimpey Alireza, had received complete payment on two hospitals, and 90 per cent on a third. The company, he said, would now have to forfeit its performance bonds, worth $5.5m because of the failure to complete the work.

The two groups are joint venture partners with Hajji Abdullah Alireza and Co. of Jeddah. Each partner holds 33⅓ per cent.

The Ministry of Health says it has paid the entire cost of the $29.86m contracts for two 100-bed hospitals in the Qassim area but contends that the hospitals, in Al-Bukhariya and Al-Midhnab, were not completed properly. The ministry said they had found the $46.85m Jubail hospital unfinished, and had made 90 per cent of the payments.

Wimpey said: "We would expect some alert if the bonds were to be called in, but they have not been, and we do not expect them to be."

Hungary urged to import more finished cars

BY DAVID BUCHAN

HUNGARY should overcome its acute shortage of cars by importing more completed vehicles in exchange for Hungarian-made vehicle components rather than agreeing to car assembly proposals by General Motors of the US and Suzuki, of Japan, according to senior Budapest car traders.

Mr Tibor Johanczik, a senior executive of Mogurt, the Hungarian trade organisation that buys and sells vehicles, said the best solution would be for Hungary to increase the quantity and quality of components for foreign car makers, in the East and West, and so get more finished cars in return.

Mogurt's proposal is to be considered by the Government. It would effectively end negotiations with Western and Japanese car makers over assembling their cars in Hungary, and would reduce Hungary's barter purchases of cars from Western manufacturers.

Hungary, which long ago decided to rely on imports rather than produce its own cars, is facing a growing shortage of cars.

Hungary imports some 90,000 cars a year from Comecon, about 8,000 from Yugoslavia and some 2,000 from the West. But with 200,000 people on the waiting list to buy cars, some for up to five years, the actual yearly demand for cars is about 150,000, or 50 per cent in excess of supply.

Budapest has been examining two alternative ways of closing the supply gap. But neither was realistic, Mr Johanczik said.

One was the competing proposals by Suzuki, Opel (General Motors) and a third Western company which Mr Johanczik would not name to assemble 50,000-100,000 cars a year in Hungary.

If such an assembly plant were big enough to be efficient, it would almost certainly be too large for Hungary's limited market and hard currency resources.

The other alternative was to step up barter purchases from such companies as Fiat, Opel, Volkswagen, Renault, and the Japanese car makers, but such deals would not bring in more than 5,000 or 6,000 cars a year, Mr Johanczik estimated.

Oman asks for Tornado jets delivery delay

By Richard Johns

OMAN has requested a postponement of the delivery of eight Tornado ADV interceptor aircraft from the Panavia consortium, because falling oil prices have hit the country's revenues. The aircraft valued at more than £250m were ordered only four months ago.

Delivery of the aircraft had been planned for 1988, but the Sultanate now envisages a delay until about 1992, according to Mr Qais bin-Abdulmonim al-Zuwawi, Minister of Financial and Economic Affairs.

Rescheduling of the deal will not adversely affect the consortium made up of British Aerospace, Messerschmitt-Boelkow-Blohm and Aeritalia because the RAF wil take up the order.

The RAF was forced to forgo the first 20 of a total of 72 Tornado aircraft. They will be sold to Saudi Arabia instead under the £5bn-plus deal finalised on Monday.

Oman was understood to have obtained preferential credit terms under a loan arranged by Morgan Grenfell which was to have covered 85 per cent of the contract value.

US in bid for talks on exports to Spain, Portugal

BY WILLIAM DULLFORCE IN GENEVA

THE US has asked for consultations with the European Economic Community over the damage it claims will be inflicted on $1bn (£714m) a year of its exports to Spain and Portugal under the terms of their accession to the Community.

Brussels' initial response has been that the US has no case, but this is unlikely to stop another serious row developing between the US and the Community in the sensitive agricultural trade sector.

The EEC claims that the measures to be introduced by Spain and Portugal on March 1 are permissible under regulations governing customs unions in the General Agreement on Tariffs and Trade (Gatt).

Spain will introduce from March 1 a variable levy on imports of maize corn and sorghum, replacing the current bound tariff of around 20 per cent. The US says EEC variable levies—designed to equalise differences between internal Community and world market prices—average around 70 per cent.

The switch would "put us out of the Spanish market," a US trade official claimed. US exports of corn and sorghum to Spain averaged roughly $400m a year in 1981-83.

Portugal undertook to introduce a quota on imports of oil seeds and vegetable oils. The quota level has not yet been fixed but would affect US exports of soya products to Portugal which have averaged about $200m a year.

The US is the principal supplier of grains to Portugal, a business valued at some $400m a year. Portugal has now undertaken to buy 16 per cent of its grain requirements from the other EEC countries.

Washington claims that all these trade measures are inconsistent with the Gatt. The principle embodied in Gatt rules on the formation or extension of Customs unions is that its trade restrictions towards other countries should not "on the whole" be higher than they were before.

Washington has not yet taken the Iberian trade issue to Gatt. US trade officials say they regard the matter as urgent, and have suggested retaliatory action should be taken.

ECGD offers to back £250m Algeria credits

By Francis Ghilès

BRITAIN'S Export Credits Guarantee Department has offered to underwrite credits worth £250m as part of an agrement with Algeria which would cover steel, chemical, transport, housing and agriculture sectors.

The offer was made to Mr Abdel Aziz Khellef, Algeria's Minister of Commerce during his visit to London.

No single UK bank is expected to manage the line of credit but different institutions will provide funds for any British projects.

British exports to Algeria declined to £176m last year from £272m the previous year while imports from North Africa's largest country fell from £274m to £251m.

The new credit line does not affect the £500m line of credit for military purposes which the ECGD offered Algeria in 1983.

It would appear to replace the £1bn line of credit for housing projects offered to Algeria in 1981, about £250m of which was used but mostly on projects outside the housing sector.

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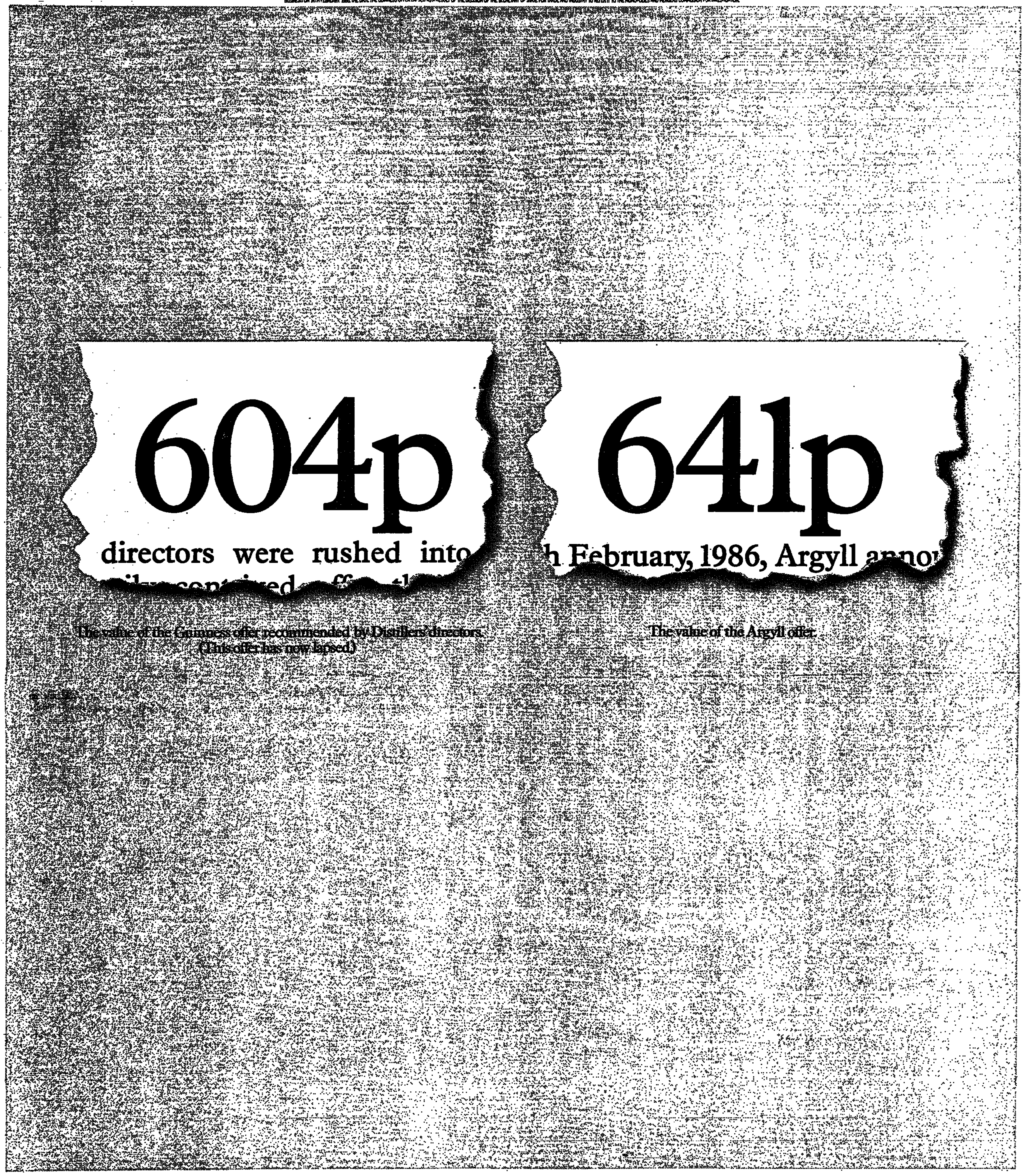

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WORLD CAR MARKETS

US sales of imports reach record

By Kenneth Gooding, Motor Industry Correspondent

CAR IMPORTS continued to pour into the US, the world's biggest market, last year as companies in Japan and Western Europe took the view that they would not have much longer to make huge profits from the strength of the dollar.

No fewer than 14 companies pumped record imports into the US: Audi, BMW, Honda, Isuzu, Jaguar, Mazda, Mercedes, Mitsubishi, Nissan, Porsche, Saab, Subaru, Toyota and Volvo.

Total imported car sales reached a record 2.84m, to take a 25.7 per cent share even though the US market was still well below the peak 11.446m registrations reached in 1973.

The US Commerce Department has just totted up the cost. Car imports in 1985 cost the US $37.6bn, up from $30.2bn the previous year. In contrast, exports brought in only $6bn last year against $4.87bn.

So the US car trade deficit reached a record $31bn, nearly one quarter more than the $25bn for 1984.

Japan, which is responsible for 78 per cent of imported car sales in the US, sent $17bn worth of vehicles last year, a 30 per cent increase on the $13bn in 1984—a clear indication that the Japanese are selling higher-value cars to compensate for the volume restrictions their government has imposed on them.

That voluntary restraint still did not prevent Japanese car sales in the US passing 2m for the first time last year.

That was in a market which reached 11m for the first time since 1978 and was the fourth highest on record. Growth slowed considerably for the domestic producers, however. They pushed up their sales by 17 per cent in 1984 but last year the improvement was of only 3.2 per cent or 225,000 cars.

Chrysler, the third largest US group, has recovered so well from the financial collapse at the end of the 1970s that last year its sales topped 1m.

The only company to miss out on the growth was American Motors, the Renault associate. This enabled one of the new US producers, Honda, to move ahead.

Another Japanese group, Nissan, assembled its first "American" car last year and is likely to overtake Volkswagen in the US producers' league table in 1986. VW was content to keep its US assembly plant ticking over last year while making as much money as possible from the over-valued dollar.

And there were 74,000 high-priced Audi models among the 214,500 imports VW sold in the US in 1985.

Total imported car sales in the US rose by more than 16 per cent and only the French lost significant ground, mainly because the models Renault and Peugeot offer in the US are now looking long-in-the-tooth. Peugeot's position was not helped by a dispute about policy between its import company management and the US dealers.

Nissan reclaimed the second place it lost to Honda in 1984 in the importers' league when US-assembled cars and imports are both taken into consideration.

Mitsubishi, which supplies a great many imports to Chrysler for sale with Plymouth and Dodge badges on them, moved ahead of Volvo even though the Swedish group for the first time sold over 100,000 cars in the US.

Among the other changes in the ranks, BMW passed Mercedes in the US market, some consolation to the Bavarian producer which had a hard time in its domestic market last year. According to estimates by DRI Europe, world car sales reached 31.89m in 1985. The six major markets covered in this review accounted for more than 68 per cent of that total.

Sales advanced in all the major countries except for West Germany, compared with 1984.

In Japan, the second largest car market, the picture last year was similar to that seen in 1984. Toyota, which dominates the market, continued to open up the gap between itself and Nissan in second place.

Honda continued to make headway—but still that company sells nearly twice as many cars in the US as in its home market—and the other domestic producers mainly fell back.

The aggressive tactics of Nissan, trying desperately to recapture ground lost to Toyota, have embroiled all the manufacturers in price warfare.

The extent of the damage can be judged from a survey which showed 34 per cent of car dealerships in Japan were operating at a loss in the year to March 1985.

Sales of imported cars in Japan improved again last year, mainly because of the efforts of the West German producers. The Japanese authorities have also made changes which make it easier to import small numbers of cars and this could help imports reach about 2 per cent of the market in 1986.

That still will not pacify critics of the massive imbalance in Japan's car trade with the West. Imports to Japan still represent less than two days output by the Japanese car industry. In contrast, exports to the US were equivalent to the annual production of seven medium-sized car plants and those to western Europe would fill four factories for a year.

Japanese imports contributed to the highly competitive conditions in the 17 main West European car markets last year and their share reached a record 10.7 per cent, up from 10.2 per cent in 1984.

Total west European car sales improved by 4.6 per cent to 10.66m, but that was not enough to mop up the excess capacity which is the underlying reason for the stiff price competition throughout the region.

Volkswagen-Audi emerged as winner of the West European new car sales race last year, for the first time in its history.

VW-Audi had a 12.9 per cent market share (12.0 per cent in 1984); Fiat, in second place for the second successive year, had 12.2 per cent (12.7 per cent); Ford, down from first place, 11.9 per cent (12.8 per cent); the Peugeot-Citroen-Talbot group 11.6 per cent (11.5 per cent). General Motors, the Opel-Vauxhall combine, 11.4 per cent (11.1 per cent) and Renault, the leader two years ago, 10.7 per cent (10.9 per cent).

The Japanese made most of their West European gains last year in the West German market where, for the third successive year, their sales and market share increased.

Sales exceeded 300,000 for the first time and actually reached 311,000 for a 13 per cent market share, up from 285,000 and 11.9 per cent in 1984.

West Germany was still plagued for much of 1985 by uncertainties created by the debate about car pollution and how the government might encourage a switch to vehicles with emission controls.

Daimler-Benz, the Mercedes group, caused the greatest upsets in the distorted market place. The company was already in a very strong position to make headway following the launch of the "small" Mercedes, the 190, and new mid-sized models in swift succession. It also had diesel engines available throughout the range at a time when German customers, spurred by the pollution debate, moved to diesels in droves, taking the diesel share of car sales to about 30 per cent.

That combination enabled Mercedes to increase its home market share up from 9.8 per cent to 11.6 per cent and to overtake Ford in the process.

More important, as far as Mercedes is concerned, the new 190 outsold BMW's competing 3-series models. BMW says it relied too heavily on catalytic converters rather than diesel engines to appeal to environment-conscious customers. It expected half its cars to be sold with the "cats" but the uptake was only 25 per cent.

BMW also has fewer company fleet customers than Mercedes. Its affluent private buyers tend to have reasonably new cars and can afford to wait for the environmental dust to settle.

However, BMW now has a broader range of diesel-engined cars available and expects to regain lost ground in its domestic market in 1986.

Volkswagen's leap to West European market leadership was based only partly on its domestic sales—which went well last year. But the new VW Golf, so severely critisised in some quarters it was first launched for looking too much like its predecessor, is now Europe's best-selling car and gave the company very significant sales improvements in Italy and France—both markets virtually closed to Japanese car imports.

Price wars raged in both markets but the position was worst in Italy where the VW Golf not only battled with Fiat's Uno but also with the new Renault 5, the "SuperCinq," another car that looks very similar to the model it replaced.

Renault was determined to do well in Italy with the R5 and priced the car very competitively. Although the Fiat Uno is now due for a "facelift," Fiat did not give up too much of its home territory despite the major advances made by both VW and Renault.

Ford lost share in Italy, partly because it is now determined to make reasonable profits throughout Europe and has been reluctant to cut prices too low, and also because it was well known that its best-selling Escort/Orion models were to be heavily revised this year.

It was a similar story for Ford in France where it lost penetration while VW made substantial gains. But Ford remained the leading importer.

Another very successful new model, the Peugeot 205, helped the Peugeot-Citroen-Talbot group retain market leadership in France at a time when its main competitor, state-owned Renault, still had some way to go to complete the revitalisation of its range.

Renault was also continuously in the public eye as the media discussed at length its financial problems and the steps it was taking to reduce the workforce, usually in disparaging terms.

Car sales are expected to increase this year in all the major West European countries. The rebound in West Germany after two years of recession could be considerable. A boom is forecast for Japan where cars bought in the previous record years, 1979 and 1980, now need to be replaced.

However, world sales are still likely to fall—to about 31.78m this year—because of a decline in the US where car registrations could slip to 10.5m if they follow the normal cyclical pattern.

That anticipated fall in demand and the recent weakening of the dollar's value against most international currencies, suggest there will not be so much gravy for the car exporters to mop up in the US in 1986.

A review of the UK car market in 1985 appeared in the FT on February 5.

UNITED STATES

	1984	%	1985	%
Total market	10,391,365	100	11,642,658	100
Domestic	7,951,517	76.52	8,204,542	74.29
General Motors	4,587,508	44.14	4,607,458	41.72
Ford	1,979,317	18.84	2,070,392	18.74
Chrysler	986,998	9.5	1,139,936	10.32
Honda	133,603	1.28	145,976	1.32
American Motors	190,255	1.83	123,449	1.12
Imports	2,439,848	23.48	2,838,116	25.71
Toyota	557,981	5.34	620,047	5.61
Nissan	485,298	4.67	535,372	4.85
Honda	374,819	3.61	406,413	3.68
Volkswagen-Audi	174,716	1.68	214,566	1.94
Mazda	169,666	1.63	211,093	1.91
Subaru	157,385	1.52	178,175	1.61
Mitsubishi*	87,194	0.84	154,847	1.40

* Includes imports sold by Chrysler.

WEST GERMANY

	1984	%	1985	%
Total market	2,393,939	100	2,379,261	100
Domestic	1,676,493	70.0	1,650,428	69.40
Volkswagen group	667,987	27.90	679,978	28.60
General Motors/Opel	389,683	16.30	367,838	15.50
Mercedes	233,649	9.80	273,528	11.5
Ford*	293,745	12.30	255,035	10.70
BMW	159,374	6.70	144,262	6.10
Imports	717,446	30.0	728,833	30.60
Fiat	109,727	4.6	102,558	4.30
Peugeot Group	95,847	4.00	97,949	4.10
Renault	88,882	3.50	74,099	3.10
Mazda	63,474	2.70	66,863	2.80
Nissan	58,018	2.40	63,253	2.60
Toyota	53,132	2.20	61,182	2.60
Mitsubishi	44,071	1.80	45,182	1.90

* Includes imports from Ford factories outside Germany.

JAPAN

	1984	%	1985	%
Total market	3,095,706	100	3,104,146	100
Domestic	3,053,727	98.64	3,054,065	98.38
Toyota	1,274,910	41.18	1,322,893	42.62
Nissan	804,922	26.00	781,862	25.19
Honda	246,150	7.95	296,648	9.55
Mazda	215,215	6.95	189,798	6.11
Mitsubishi	198,456	6.41	168,298	5.42
Daihatsu	107,280	3.46	97,434	3.14
Subaru	88,191	2.85	82,119	2.65
Suzuki	77,325	2.50	68,331	2.20
Isuzu	41,278	1.33	46,682	1.50
Imports	41,979	1.36	50,081	1.62
Volkswagen group	15,611	0.50	18,378	0.59
BMW	8,554	0.28	11,767	0.38

UK

	1984	%	1985	%
Total market	1,749,647	100	1,832,408	100
Domestic	743,179	42.48	767,636	41.89
Ford*	486,971	27.83	485,620	26.50
BL/Austin Rover	312,054	17.84	327,955	17.90
General Motors*/Vauxhall	282,835	16.17	303,473	16.56
Peugeot group*	95,081	5.43	101,314	5.53
Imports	1,006,468	57.52	1,064,772	58.11
Nissan	106,360	6.08	105,517	5.76
Volkswagen-Audi	96,603	5.52	103,877	5.67
Renault	59,779	3.42	70,632	3.85
Volvo	59,072	3.38	59,549	3.25
Fiat group	50,202	2.87	57,537	3.14

* Includes imports from companies' Continental factories.

ITALY

	1984	%	1985	%
Total market	1,636,807	100	1,748,303	100
Domestic	1,031,188	63.0	1,047,115	59.9
Fiat group	888,785	54.3	912,414	52.2
Alfa Romeo	119,487	7.3	112,909	6.5
Nuova Innocenti	18,005	1.1	14,462	0.8
Imports	605,619	37.0	701,188	40.1
Renault	145,676	8.9	175,052	10.0
Volkswagen-Audi	96,572	5.9	142,236	8.5
Peugeot Group	108,029	6.6	117,927	6.7
Ford	73,656	4.5	69,335	4.0
General Motors/Opel	54,015	3.3	58,204	3.3
Seat	31,099	1.9	37,089	2.1

FRANCE

	1984	%	1985	%
Total market	1,758,340	100	1,766,661	100
Domestic	1,127,792	64.14	1,120,444	63.40
Peugeot group	582,501	33.13	612,531	34.70
Renault	544,968	30.99	507,882	28.70
Imports	630,548	35.86	646,217	36.60
Ford	138,235	7.86	134,201	7.60
Volkswagen-Audi	97,228	5.55	111,508	6.3
Fiat	97,228	5.53	93,167	5.27
General Motors/Opel	76,485	4.35	88,429	5.00
BL/Austin Rover	30,393	1.73	32,115	1.82
BMW	30,220	1.72	29,351	1.66

Statistical switch for jobless figures

By Philip Stephens, Economics Correspondent

THE GOVERNMENT yesterday announced new procedures for counting the number of unemployed which it expects to result in a fall in the recorded jobless total of around 55,000 from next month.

The news prompted a storm of protest from Opposition leaders in the House of Commons, who accused the Government of seeking to "fiddle" the unemployment figures.

There were also angry exchanges at the way that the announcement, made in a parliamentary written reply by Lord Young, the Employment Secretary, had been leaked to the press before MPs were told.

Lord Young said that on the advice of official statisticians the Employment Department had decided to delay publication of the monthly jobless figures to allow a more accurate count.

The Department is also to begin publishing additional statistics showing the unemployment rate as a percentage of the total labour force, taking into account the self-employed and the armed forces. This is likely to show a rate about 1.5 percentage points lower than the existing figures, which relate purely to the employed labour force.

The timing change is the latest in a series of major adjustments to the official figures that the Government has made since it first came to office in 1979.

In 1982 the definition of those included in the count was changed from those registering for work to those claiming benefit. That had the effect of reducing the total by 190,000. A further change in 1983 excluded those aged 60 and over who were no longer seeking work, reducing the recorded total by a further 160,000.

The new procedure introduced yesterday will give a three-week period between the official count date and the final compilation of the statistics instead of the present one-week interval. That should eliminate what government statisticians believe is significant over-recording.

In an explanatory note the Employment Department said that a recent investigation had shown "an unacceptably high level of over-counting of claimants who, although no longer unemployed, continue to be included in the monthly figures."

The figure varies from month to month but averages around 65,000, it said. The extra two-week delay after the count will allow statisticians to incorporate more detailed information on people who had found work, eliminating around 55,000 of the over-counting, the department added.

There were vigorous denials in Whitehall of any suggestion that the change had might have been prompted by political considerations after two sets of unexpectedly bad unemployment figures in December and January.

Mr Paul Dworkin, the Director of Statistics at the Department of Employment, who recommended the change said: "In my judgment this is being done purely on the basis of statistical considerations." Other officials added that the decision to publish separate figures showing unemployment as a percentage of the total labour force brought Britain into line with several other industrial countries.

Whitehall statisticians concede, however, that the present official figures may be under-recording the true level of unemployment if international definitions are applied. Using the convention suggested by the International Labour Organisation would give a figure around 150,000 higher than the one at published by the Government.

Safety checks ordered over N-plant leaks

BY MAX WILKINSON, RESOURCES EDITOR

Dr Garret FitzGerald

THE BRITISH Government is sending in a team of safety inspectors to carry out tests on the troubled nuclear reprocessing plant at Sellafield in north-west England.

The announcement was surrounded by a mounting political furore over the latest leak of radioactive material at the plant. The 12 inspectors are expected to start work today.

British Nuclear Fuels (BNFL), which operates the plant, said last night that in the latest incident two workers suffered "slight skin contamination" after 250 gallons of low-level radioactive water escaped from a fractured pipe.

The leak is the latest in a series of incidents and disclosures which have angered environmentalists and have threatened to generate considerable political heat.

Yesterday Dr Garret FitzGerald, the Irish Prime Minister, expressed his concern about radioactive leaks during a breakfast meeting with Mr Neil Kinnock, leader of Britain's Labour Opposition.

Mr Alan Beith, the Liberal party's deputy leader, called for the suspension of nuclear waste reprocessing at Sellafield until the plant's safety had been checked by a team of international experts.

However, there is little sympathy for this idea in government circles. Ministers believe that the significance of recent events has been exaggerated out of all proportion by environmental groups.

A spokesman for BNFL minimised the danger from the recent leakage, which was contained in a concrete trough. He said only two workers came into contact with the radioactive fluid. They wore protective clothing and after washing and later checks were shown to be clear of contamination.

The pipe which fractured, perhaps as a result of a heavy frost, was described as "redundant" and not part of the plant's operational system.

Two weeks ago 15 workers were contaminated by a plutonium mist which escaped while repair work was being done on a valve. It was later disclosed that one of these workers had received the maximum dosage of radiation permitted for a whole year.

The Isle of Man Government is seeking urgent talks with the British Government about the future of the plant. Mr Miles Walker, chairman of the island's Local Government Board, said: "Our confidence in BNFL is rapidly waning."

Margaret van Hattem writes: A rift opened between the British and Irish governments over leaks at the Sellafield plant after a meeting between Dr Garret FitzGerald, the Irish Prime Minister, and Mrs Margaret Thatcher in London yesterday.

Dr FitzGerald asked Mrs Thatcher to allow EEC safety inspectors to investigate the plant, and expressed his strong concern that the British and Irish governments are not being given "reliable" information by management at the plant over the extent of leaks of radioactive matter.

Mrs Thatcher promised Dr FitzGerald a full report on the situation at the plant and previous incidents of leaks. However, she is understood to have rejected his request for an EEC inspection, insisting that present monitoring arrangements were adequate, and that the British Government was satisfied that the information it was receiving was reliable.

Thorn screen buy-out faces funds shortfall

FINANCIAL TIMES REPORTER

THE MANAGEMENT team trying to buy Thorn EMI's Screen Entertainment division is believed to be still £40m short of raising the £110m offer price with only eight days to run to the deadline.

In addition to the £20m committed by Mr Alan Bond, the Australian businessman who is chairman of Airship Industries, the British company which manufactures airships £50m in property-based loans is already secure.

In December, the management team put down a £10m deposit on the division which groups 106 cinemas, a film library with more than 2,000 titles, Elstree Studios and a profitable video distribution business. The balance is due on February 28.

Mr Gary Dartnall, chief executive of the new company, which will be called Screen Entertainment, is in the US this week to meet potential new equity investors to close the gap.

Mr Michael Garston, of Bear Stearns, the US securities firm which is raising the finance for the buy-out, said yesterday: "Everything is going fine. We are going to get this deal done." If, however, all the money can not be raised before next Friday, it is likely the management buy-out team will ask Thorn EMI for an extension – something that would probably be granted.

For his present investment Mr Bond will take between 45 and 49 per cent of the equity. If there is difficulty in raising the necessary finance some observers expect Mr Bond to increase both his investment and his equity to take a controlling interest.

It is understood that in addition to the funds needed to complete the purchase, Bear Stearns has also yet to complete a £100m rolling loan facility to fund future film production for Screen Entertainment. Guinness Mahon, the merchant bank, is also involved in raising such a facility.

Mr Gerald Ronson, chairman of Heron International, who made a joint bid for Thorn EMI Screen Entertainment with Canon, the film and cinema company, indicated recently that he is still interested if the management buy-out should fail to go ahead.

EXPERIMENTAL NO-SMOKING REGIME AGREED FOR WHITEHALL OFFICES

Ministry declares smokeless zone

BY DAVID BRINDLE, LABOUR STAFF

THE ANTI-SMOKING crusade or witch-hunt, depending on your point of view, has arrived in Whitehall. From next month, the first government offices will join the growing list of workplaces where the smoker is expected to leave his habit at the door.

Under an agreement reached this week in the national negotiating committee on welfare in the Civil Service, a pilot no-smoking regime is to be introduced in certain offices of the Ministry of Agriculture, Fisheries and Food.

If successful, other departments are expected to follow suit. The Inland Revenue, Employment Department, Export Credits Guarantee Department and the Driver and Vehicle Licensing Centre at Swansea have all shown interest. So, perhaps unsurprisingly in view of fire risk, has the Forestry Commission.

Curiously, the Department of Health and Social Security and the Environment Department have been somewhat less enthusiastic about the initiative so far.

The Agriculture Ministry's planned smoking curbs, likely to be introduced on National Non-smoking Day on March 12, represent the first substantial measures of their kind in the public sector. Precedents in the private sector, although few and far between, have been considered generally successful.

Boots The Chemists has "discouraged" smoking in its open-plan headquarters offices in Nottingham for the past 17 years; Marks & Spencer has been largely smoke-free for almost twice as long, providing for indulgence only in staff lounges.

However, the anti-smoking lobby, Action on Smoking and Health (Ash) believes the UK is lagging badly behind the US in freeing non-smokers from the tyranny of addicted workmates. Although only 34 per cent of the population now indulges, according to official statistics, the UK picture compares poorly with the estimated third of US companies who impose some restrictions on their smoking staff.

Ash has been brought in to advise the Agriculture Ministry management and unions on how to go about the smoking restrictions, which are likely to involve winning staff agreement for either banning cigarettes outright in offices or segregating smokers and non-smokers.

Mr Charles Cochrane, assistant secretary of the Council of Civil Service Unions, said: "We may well want to move towards a position where, when they are slotting people into jobs, account is taken of whether or not they are smokers."

According to US research reproduced by Ash, employers can benefit greatly from curbing smoking: the ritual itself takes up 6 per cent of working time; smokers suffer twice as many on-the-job accidents as non-smokers; female smokers take 45 per cent more sick leave than non-smokers and males 57 per cent more.

Such evidence is dismissed by Forest, the pro-smokers' rights group. Mr Stephen Eyres, its director, said yesterday that the Government had no business taking sides in the debate at its workplaces and pointed to other US research in which a survey of bank managers in Minnesota had found smokers 3 per cent more productive than colleagues who abstained.

IBA may insist on Granada float-off

THE INDEPENDENT Broadcasting Authority (IBA) is likely to insist that Granada Television is floated off as a separate company if the Rank Organisation is successful in its contested £753m bid for the Granada Group.

The IBA, which regulates independent television, had made no statement on the issue, but informal talks already taking place indicate that the authority is preparing to take a hard line on the issue.

It believes that it must defend what it sees as the principle that viable ITV franchises are not for sale. Otherwise the franchising process and the public consultation involved would appear meaningless.

Morgan Grenfell, Rank's financial adviser, announced yesterday that it had bought 2.88m Granada shares, taking the total holdings of the Rank camp to 3.47m shares or 1.4 per cent of Granada's equity.

□ WORKERS at Sealink's Holyhead ship repair yard and marine workshop, North Wales, have been offered the option of forming a workers' co-operative or accepting major redundancies.

Senior management told the yard's 140 workforce this week that the company wishes to dispose of the yard and associated facilities but is prepared to back a scheme whereby redundancy payments could be used to establish a workers' co-operative. If the workforce was not prepared to do this, the company said staff numbers would have to be reduced by 100 and revised radically to improve productivity.

□ NORSK HYDRO, the Norwegian oil and chemicals group, is advertising for employers to take over the workforce of its plant at Avonmouth near Bristol which it is closing. Norsk announced the closure of the Avonmouth plant with a loss of 340 jobs this month after a consultancy study concluded that the plant had no future.

□ LEEDS is to host a conference on jobs in collaboration with its twin cities Dortmund in West Germany and Lille in France. Mr Denis Healey, Labour's foreign affairs spokesman, said the European Employment Conference would be held at Leeds University from April 15-17.

□ VOLUME in options traded on the London Stock Exchange set a record of 30,168 contracts yesterday. This underlined the steady development over the past year of a market which is expected to grow even faster after the "Big Bang" City reforms in October.

The previous record, set on November 20 1985, was 29,845 contracts, and last year's average daily volume was just 9,000. Although the exchange trades options on currencies and gilt-edged securities, the most actively traded contracts remain options to trade equities. Yesterday, options to buy or sell shares in Imperial Group, the tobacco conglomerate now at the centre of Britain's biggest takeover battle, were the most active with 3,821 traded – each to buy or sell 1,000 shares.

□ TWO MORE senior directors of Rudolf Wolff, the London-based commodity and financial futures trading company, have resigned in connection with the sales of its financial services and energy business to Australia's Elders IXL group.

They are Mr Chris Williams, managing director of Wolff's financial services division, and Mr Jess Tigar, a director. Their departure follows the resignation last week of Mr Bruce Leeming, Wolff's former overall managing director, apparently in protest at the splitting up of the company by its parent, the Canadian mining group Noranda.

□ DUBLIN'S government has approved Ireland's accession to the European Convention on the Suppression of Terrorism, and will sign the agreement in Strasbourg next week, Dr Garret FitzGerald, Irish Prime Minister, said in London.

The move was widely expected, following the Irish Government's declaration of intent at the signing of the Anglo-Irish agreement last November. The convention provides for extradition of those suspected of certain scheduled terrorist crimes.

Average weekly earnings still rising faster than inflation

BY GEORGE GRAHAM

THE GOVERNMENT yesterday issued a new call for lower pay rises after the announcement that earnings in the UK are still increasing much faster than inflation.

Lord Young, the Employment Secretary, said that with inflation set to fall to 4 per cent this year, lower pay settlements would reduce industry's labour costs without lowering living standards.

"Over the past five years, wage costs have risen in manufacturing by a quarter while those of our major international competitors have risen by much less," Lord Young said. "With raw material costs now falling, a halt to the rise in unit wage costs would enable us to hold prices steady, increase sales and thereby create genuine, long-lasting jobs."

Average weekly earnings in the year to December rose by 8.9 per cent, compared to an inflation rate of 5.7 per cent over the same period. The estimated underlying rate of increase was 7.5 per cent, after removing exceptional factors such as the effects of last year's coal strike, the Department of Employment said.

Average earnings in manufacturing industry rose by 9.2 per cent in the year to December, with the estimated underlying rate of increase remaining at 8.75 per cent. Manufacturing industry's wages and salaries per unit of output rose by 5.2 per cent in 1985.

Major industrial nations such as Japan and West Germany saw unit labour costs remain unchanged over the last year, while there were increases of about 2 per cent in the US and Canada.

Recent figures from the Confederation of British Industry suggested that pay settlements in manufacturing industry may have edged down slightly in the last months of 1985, but were still running well ahead of inflation at an average of about 6.25 per cent. The fall in inflation expected over the next few months could lead to lower wage demands, but officials fear that buoyant company profits could offset this.

Pace of growth may be slowing

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

BRITAIN'S OUTPUT rose by around 3½ per cent last year but the underlying pace of growth showed signs of slackening, according to official estimates released yesterday.

The Central Statistical Office said that its output measure of gross domestic product showed an increase of around ¾ per cent in the final quarter of the year to stand about 3¼ per cent above the same period a year earlier.

The growth rate between the two quarters and over the whole year, however, was distorted by the bounce-back in coal production after the miners' strike. Once allowance is made for the strike the rise in output is put at 2¾ per cent for the year, down from a similarly – adjusted figure of 4 per cent in 1984.

The output measure is one of three indicators used by the Government to judge the pace of economic growth. Data for the expenditure and income measures in the fourth quarter is not yet available.

The Treaury's latest forecast, however, is that the average growth rate taking the three measures together, will have been around 3½ per cent last year. For 1986 it is predicting a slight slowdown to 3 per cent.

Soldiers discover fault in new rifle

By Lynton McLain

ROYAL ORDNANCE, the state-owned arms manufacturer, has had to redesign its new short rifle for the British Army after warnings from soldiers that the gun could fire if dropped on its muzzle.

"The new Enfield Weapon System was found to fire when dropped vertically on its muzzle in certain conditions when the normal safety precautions had been taken," the Ministry of Defence said yesterday. The problem has been solved and deliveries of the new weapon are to recommence next month, the MoD said.

The Army wants to order 400,000 of the new rifles and light machine-guns at a cost of £500 million with ammunition.

Royal Ordnance won the order for the first 175,000 guns, to be delivered to the Army over the next two to three years, but the balance of 225,000 rifles is to be put out to competitive tender by the MoD. Royal Ordnance is anxious to win the contract in view of its impending privatisation this summer.

The safety problem came on top of problems in putting the rifle into mass production at the Royal Small Arms Factory, at Enfield, near London, where output is heavily dependent on the new weapon system.

It is likely that the small pre-tax loss of about £300,000 forecast by Royal Ordnance for its small arms division for 1985 will have risen as a result of the production and safety difficulties. The company forecast earlier this year a pre-tax profit of about £3.6m for small arms in 1986, a result that, if achieved may be too late to affect the prospects for privatisation in the summer.

The problems have delayed deliveries of the new rifle to the army and planned deployment is behind schedule. Only 200 new rifles have been deployed since the first were handed over to the army in October, the Ministry of Defence said, and would not disclose what the delivery rate should have been.

To overcome the design problem with the gun, a new component was made for the firing mechanism which, said Royal Ordnance, was "bigger and stronger."

The original design of the rifle and its associated light machinegun was worked out by Royal Ordnance and the army to an army specification. The MoD and Royal Ordnance would not say who paid for the modification to the rifle.

New moves to speed personal injury hearings in the courts

BY A. H. HERMANN, LEGAL CORRESPONDENT

RADICAL PROPOSALS for cutting down delays and costs in personal injuries litigation in the High Court and in the County Courts were unveiled yesterday by Lord Hailsham, the Lord Chancellor.

About 55,000 people – out of some 3m injured each year in England and Wales – start court proceedings for personal injuries. An investigation by Inbucon, a management consultancy, sponsored by the Lord Chancellor, revealed that it can take three years after an accident to get a case started; and that High Court cases can take up to six, or more, years to conclude.

Lord Hailsham; who formerly specialised in personal injuries litigation, said he was involved in cases taking eight years, and shortly before Christmas last year, two cases were decided after 10 years' delay.

The costs are proportionate to the delays. In the High Court to each £100 of damages awarded has to be added legal costs of between £50 and £70. In the County Court the costs are even greater, representing between 105 and 175 per cent of awarded damages.

The proposals aim at reducing the time limit for the starting of court proceedings from three to one year after an accident. They envisage better and faster preparation of the trial and a drastic reduction of oral hearings. Smaller claims would be adjudicated on the basis of documents alone.

These proposals are well in line with those recently made for the simplification of the Commercial Court work and seem to indicate the general trend which will be taken by the Civil Justice Review of which they are the first result.

The Review Committee, established in February 1985, is chaired by Sir Morris Hodgson, chairman of British Home Stores, and includes a number of laymen in addition to judges and lawyers.

Lord Hailsham said that after the meagre results of some 14 previous inquiries, processed mainly by the legal profession, he has this time turned to the wider public. In addition to the consultation document available on request for £1; 100,000 copies of a free leaflet, with questions designed to be a sort of public opinion poll, are being distributed to public libraries and Citizens Advice Bureaux.

Much of the present delay is due to slow or faulty work by solicitors, and the proposals call for special qualifications for solicitors engaged in personal liability work. They would also introduce penalties to be administered by the court for unjustified delays caused by a solicitor.

Simpler cases would be judged by a procedure modelled on the Criminal Injuries Compensation Board. The adjudicator would be a working judge, a registrar, a solicitor or a barrister approved for the purpose, who would decide on the basis of written evidence without a hearing, though the parties would have the right to a full hearing on request.

The procedure for bigger claims should be made faster and more efficient. Parties would be required not to keep evidence for surprises during a trial. The court would lay down a timetable with appropriate sanctions for non-compliance.

With the exception of the shorter time limit for bringing an action, and of the written adjudication procedure, most of the proposed reforms could be introduced by the Supreme Court Rules Committee, possibly this year. However, Lord Hailsham expects some resistance from the legal profession.

Notice of Redemption

Utah International Finance Corp.

8% Guaranteed Sinking Fund Debentures Due March 15, 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of *March 15, 1972 under which the above described Debentures were issued,* Citibank, N.A. (formerly First National City Bank), as Trustee, has drawn for redemption on March 15, 1986 (the redemption date), through the operation of the Sinking Fund provided for in said Indenture, $1,822,000 principal amount of Debentures of the said issue, bearing the following distinctive numbers:

COUPON DEBENTURES OF $1,000 PRINCIPAL AMOUNT OUTSTANDING

M90	2533	11997	13441	13868	14253	14694	15144	15574	16012	16462	17346	17720	18139	19130	19531
91	2534	12006	13444	13871	14258	14695	15150	15580	16013	16467	17351	17721	18142	19132	19536
107	2539	12009	13447	13874	14261	14701	15153	15581	16020	16470	17352	17726	18145	19135	19537
108	2541	12012	13452	13877	14266	14702	15160	15587	16021	16475	17357	17727	18148	19140	19542
110	2545	12015	13453	13883	14269	14707	15161	15588	16028	16478	17360	17732	18151	19141	19545
113	2546	12018	13459	13886	14274	14708	15167	15594	16029	16483	17363	17733	18152	19146	19549
116	2555	12021	13460	13891	14277	14709	15168	15595	16036	16486	17368	17739	18153	19149	19554
118	2560	12026	13466	13895	14282	14716	15176	15602	16037	16491	17371	17740	18158	19152	19556
446	2580	12027	13467	13898	14285	14717	15179	15603	16039	16494	17374	17745	18161	19156	19561
456	2646	12033	13472	13901	14290	14723	15185	15610	16040	16499	17377	17746	18166	19158	19562
458	2647	12034	13475	13906	14293	14724	15186	15611	16046	16507	17380	17751	18167	19161	19567
473	2652	12039	13478	13907	14298	14729	15194	15618	16049	16512	17382	17752	18172	19166	19570
482	2802	12044	13481	13912	14301	14732	15197	15619	16056	16515	17386	17753	18173	19169	19573
483	2805	12045	13486	13915	14306	14735	15204	15626	16057	16516	17389	17756	18180	19172	19578
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2308	11942	13290	13808	14206	14640	15045	15528	15953	16397	16802	17676	18079	19083	19489	19919
2311	11946	13293	13813	14209	14641	15050	15529	15958	16400	16803	17677	18082	19088	19494	19924
2337	11949	13401	13816	14212	14646	15053	15536	15962	16416	16808	17682	18088	19091	19495	19925
2338	11952	13402	13821	14215	14651	15060	15537	15965	16420	16811	17683	18102	19096	19500	19930
2344	11955	13407	13822	14218	14654	15087	15542	15968	16421	16814	17689	18105	19097	19503	19931
2345	11958	13408	13838	14222	14657	15094	15543	15971	16427	16817	17690	18108	19104	19506	19936
2427	11966	13413	13839	14225	14663	15095	15549	15976	16428	16820	17695	18113	19105	19509	19937
2428	11969	13414	13844	14228	14664	15097	15550	15979	16433	16825	17696	18116	19110	19512	19942
2433	11974	13420	13847	14233	14671	15098	15556	15984	16436	16826	17701	18121	19111	19517	19950
2434	11977	13421	13850	14234	14672	15127	15557	15987	16442	17332	17702	18124	19117	19518	19995
2439	11980	13428	13855	14239	14679	15130	15562	15992	16445	17333	17707	18127	19118	19523	19996
2491	11983	13429	13856	14240	14680	15134	15565	15995	16450	17339	17708	18130	19123	19524	19999
2522	11986	13435	13862	14245	14687	15135	15568	16000	16453	17340	17714	18133	19124	19528	
2523	11989	13436	13863	14246	14688	15143	15573	16002	16458	17345	17715	18136	19129	19530	

The Debentures specified above are to be redeemed for the said Sinking Fund at the **Citibank, N.A., Corporate Trust Services, Trustee, 111 Wall Street—5th Floor, New York, New York 10043,** and the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Brussels, or Banca Commerciale Italiana in Milan, or Banque de Paris et des Pays-Bas in Paris, or Banque de Paris et des Pays-Bas pour le Grand Duché de Luxembourg in Luxembourg, as the Company's paying agents, and will become due and payable on March 15, *1986 at the redemption price of 100 percent of the principal* amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. Coupons due March 15, 1986 should be detached and presented for payment in the usual manner.

For UTAH INTERNATIONAL FINANCE CORP.
By CITIBANK, N.A., Trustee

February 18, 1986

NOTICE

Withholding of 20% of gross redemption proceeds of any payment made within the United States *may be required by the Interest and Dividend Tax Compliance Act of 1983* unless the Paying Agent has the correct tax identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

Rabobank Nederland

NLG 400,000,000

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.

Certificates of Deposit

Denomination NLG 1,000,000

Issuance and trading on discount basis.

Direct issuance:
by Rabobank Nederland and via money-market brokers.

Custody and clearing: Euroclear, Brussels.

Utrecht, February 1986.

Telephone: 31 30 888 131
Reuters direct-dealing RABD.

UK NEWS

SURVEY SUGGESTS APPETITES UNAFFECTED BY FLUCTUATING EXCHANGE RATES

British takeovers in US increase

BY LIONEL BARBER

BRITISH COMPANIES spent $5.2bn on acquisitions in the US last year, a 33 per cent increase over 1984, according to a survey by a London-based corporate finance adviser, J. P. Mervis & Co.

The survey shows that financial and corporate services formed the most popular sector by value, although both medical and building sectors increased significantly their respective shares of the total. Speciality chemicals, the biggest by value in 1984, was the smallest in 1985.

British companies acquired a total of 160 businesses in the US compared with 142 in 1984. Between 1978 and 1985 there were 812 acquisitions by UK companies, many of which have been successful, the survey states.

Mr Jonathan Mervis, a corporate financier who has advised companies such as United Newspapers, Tarmac and Wolseley-Hughes on US acquisitions, said: "There is a lot of publicity about the failures, such as Midland Bank's acquisition of Crocker Bank, but there is a more successful side to the story."

The values of 92 acquisitions made in 1985 were of less than $10m. Some UK companies have been particularly acquisitive over the past two years, with six companies making a total of 47 acquisitions between them: Saatchi & Saatchi (9), BET (8), Bunzl (8), Laporte (8), Johnson Group Cleaners (7) and Tate & Lyle (7).

The survey argues that the fluctuating exchange rate between sterling and the dollar has not affected UK companies' appetite for US companies. Although acquisitions fell sharply by number in 1982, following sterling's steep drop against the dollar, they have risen steadily ever since.

Mr Mervis attributes the growth to three factors: the decline in perceived industrial investment opportunities in the UK coinciding with revenue inflows from North Sea oil; the size and scope of the US market, boosted by a common language; a widely held view that the US is the main centre of capitalism and free enterprise.

The survey does not include additional new capital invested in 1985 by all British companies in their US subsidiaries. It also excludes property and portfolio investment.

The $5.2bn total includes only acquisitions of $500,000 or more.

A survey of acquisitions in the US by British companies with special emphasis on the years 1984 and 1985: J. P. Mervis & Co, 2 John Street, London WC1N 2HJ.

TOP 30 ACQUISITIONS BY SIZE

UK COMPANY	US ACQUISITION	PRICE $m
Hanson Trust	SCM	928.0
Sedgwick Group	Fred S. James	660.0
Beecham Group	Norcliff Thayer	395.0
Grand Metropolitan	Pearle Health	386.0
Standard Chartered	United Bank of Arizona	330.0
Blue Circle Inds	Atlantic Cement	145.0
Blue Circle Inds	Williams Brothers	90.0
Reed International	RR Bowker	90.0
RTZ	Pennsylvania Glass	80.0
Wolseley-Hughes	Carolina Builders	77.0
Britoil	Freeport McMoran	73.5
United Biscuits	Early California div	73.0
Hugin Group	Sweda International	67.0
International Thomson	Gale Research	66.0
Smith (WH) & Son	Elsons	65.0
Barclays Bank	California Canadian	60.0*
Pilkington Brothers	Syntex Opthalmics	60.0
ICI	Garst Seed	59.0
Smith & Nephew	Affiliated Hospital	57.9
Transcontl Sers	Seligman & Latz	41.0
Metal Box	Clark Checks	40.0
Carless Capel	LTV	39.6
Rowntree Mackintosh	Original Cookie	36.0
BP	PVM (Reichold div)	35.0
Babcock International	Faultless Caster	33.0
Berisford (S&W)	NGI International	33.0
Hill Samuel Group	Investment Advisers	32.0
Unilever	Darling & Co	30.0*
London & Northern Group	Rockville	29.0
Trafalgar House	Usenco	26.5
	TOTAL	$4,137.5m

* Estimate — *Source: J. P. Mervis & Co*

Ministers' extra cash claims restricted

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE TREASURY has moved to tighten its control over this year's round of public spending negotiations in an attempt to head off some of the threatened battles with spending ministers.

Mr John MacGregor, Chief Secretary to the Treasury, has changed radically the procedures for his annual bargaining round with other departments, effectively banning routine bids for extra funds.

The change coincides with suggestions in Westminster that several key departments, including the Ministry of the Environment and the Department of Health and Social Security, are preparing substantial claims for additional funds.

The Government set its public spending totals for the three financial years beginning 1986-87 in the Autumn Statement published last November. The overall figures, however, are subject to confirmation by the Cabinet in July. Departmental allocations are then subject to negotiation ahead of this year's Autumn Statement.

Members of Parliament are due to debate the plans later today and the Government is expected to face calls from its own backbenches for additional spending on infrastructure projects and on measures to help the long-term unemployed.

The procedure operated in past years has allowed spending ministers to routinely submit claims for extra cash to be incorporated in the public expenditure survey presented to the Cabinet. In theory, ministers have also been obliged to suggest offsetting cuts in spending, but many have ignored that requirement.

Last year, for example, the bids initially put in by spending departments would have added about £6bn to spending if they had not been whittled down by the Treasury.

Under the new procedures their will be no automatic right to claim extra cash. Mr MacGregor has told his Cabinet colleagues that no new bids will be included in this year's survey.

If spending departments want additional finance, the minister responsible will have to write personally to Mr MacGregor. A copy of the request will also have to be forwarded to the Prime Minister.

Investors object to merger ad costs

By Alice Rawsthorn

INSITUTIONAL investors are considering lodging complaints about expenditure on takeover bid advertising campaigns, through the investment protection committee of the Association of British Insurers.

Since last summer, when the current stream of bids and counterbids began, millions of pounds have been poured into attack and defence advertising by companies involved in takeover bids. The scale of expenditure escalated through the autumn, culminating in the £5.1m spent in the last six weeks alone by Guinness and Distillers on their proposed merger.

As expenditure has grown the institutions have become increasingly concerned about the large sums committed to bid advertising.

"On the face of it we regard it as rather objectionable that newspapers are full of these advertisements which are, by and large, rather childish and cut no ice with the institutions who will finally decide the outcome of the bid," said Mr David Enock, investment secretary of Commercial Union and chairman of the investment protection committee.

The committee is now considering three courses of action: making formal complaints to the issuing houses, the merchant banks that plan the bids; complaining to the companies involved; or taking up the issue with the Takeover Panel.

Mr Enock says: "The difficulty we have is that if we complain to the issuing houses or the companies they will claim that these advertisements are placed for the benefit of private shareholders and not the institutions. But we have discussed the matter and have come to the conclusion that this sort of advertising is a complete waste of shareholders' money."

Management, Page 12

An Offshore Money Market Cheque Account from Bank of Scotland

DO YOU WANT?

- *High Rates of Interest*
- *No notice of withdrawal*
- *A cheque book to give you easy access*
- *An Offshore Account based in Jersey paying Interest Gross.*

AND ALSO

- *Available to applicants world-wide*
- *No need to have another account with us*

INTEREST PAID GROSS

11.70% = 12.35%

Applied Rate* — Compound Annual Rate* (C.A.R.)

*Interest rates may vary-rates quoted correct at time of going to press.

WHAT ARE THE DETAILS?

Minimum opening balance	£2,500
Minimum transaction	£250

Interest is calculated daily and applied monthly. Cheques may be payable to third parties and all transactions should normally be in sterling. Statements are issued quarterly (more frequently if you wish). First 9 cheques per quarter are free of charge.

Up to date rate of interest available by telephoning Bank of Scotland, Jersey 0534-39322.

Simply complete the coupon below and enclose your cheque. An acknowledgement of your deposit will be sent by return and your cheque book will follow a few days later.

Bank of Scotland was constituted in Edinburgh by Act of Scots' Parliament in 1695. Copies of the Annual Report and Accounts are available on request from R. C. Home, Manager, Bank of Scotland, 4 Don Road, St Helier, Jersey or from Bank of Scotland, Head Office, The Mound, Edinburgh EH1 1YZ. Bank of Scotland Proprietors' Funds as at 28th February 1985 were £314.4 million.

Deposits made with offices of Bank of Scotland in Jersey are not covered by the Deposit Protection Scheme under the Banking Act 1979.

To Bank of Scotland Money Market Accounts Centre, 4 Don Road, St Helier, Jersey.

I/We wish to open a Money Market Cheque Account. I am/We are aged 20 or over. (Please complete in BLOCK CAPITALS.)

FULL NAME(S) ____________________

ADDRESS ____________________

SIGNATURE(S) ____________________ *DATE* ________

For joint accounts all parties must sign the application but only one signature will be required on cheques.

I/We enclose my/our cheque for £ (minimum £2,500) payable to Bank of Scotland.

Should the cheque not be drawn on your own bank account, please give details of your bankers.

MY/OUR BANKERS ARE ____________________ *BANK*

BRANCH ____________________

ACCOUNT NUMBER ____________________ FT 20/2

Bank of Scotland Jersey offers a full range of services. For further information tick box ☐

BANK OF SCOTLAND
A FRIEND FOR LIFE

UK NEWS

Industrialists to have Star War talks in the US

BY PETER MARSH

BRITISH INDUSTRIALISTS wishing to gain contracts under the Strategic Defence Initiative (SDI), the so-called Star Wars programme, are to be invited to a meeting in Washington next month in an effort to match them with US defence contractors already working on the project.

The meeting, being arranged by the Defence Ministry and the US Defence Department, follows Tuesday's conference in London at which officials from the Pentagon's SDI Organisation briefed about 100 UK companies on some of the classified aspects of the $26bn research programme.

It is designed to devise by the 1990s a way to defend the West from nuclear attack, for instance by using exotic devices such as laser guns to shoot down missiles. Britain is to take part in the research as a result of a broad agreement signed between the two governments in December.

Whitehall recognises that the most promising route for many British companies into the programme, on which contracts worth about $4bn have already been committed to US research concerns, is by striking deals with big Pentagon contractors such as Rockwell, Boeing and Martin Marietta.

In contrast, contracts agreed directly between the SDI Organisation and UK organisations are likely to amount initially to no more than a few million pounds a year.

Tuesday's meeting, which was billed in advance as promising the most complete description yet on how UK enterprises could gain access to Star Wars work, proved a let-down to some of the participants.

In particular, some industrialists were annoyed that neither the UK defence officials who addressed the meeting, who included Professor Richard Norman, the Defence Ministry's chief scientific adviser, nor representatives from the Pentagon, divulged more than an outline of the December agreement, which the two governments regard as secret.

The accord provides a set of rules over the flow of technical ideas from the US to Britain, as well as measures to safeguard the commercial rights of UK companies to technologies which they develop while working for the Pentagon.

Defence officials have refused to give details of the agreement – even to companies which hope to gain specific contracts – on the grounds that the details could aid the companies' rivals in providing information on likely benefits from the work.

Mr Brian Jarvis, a director of Pafec, an engineering company involved in defence work, said this approach has led to "a general sense of annoyance and bewilderment" among companies hoping to participate in Star Wars. "I came to the meeting hoping to gain a more specific understanding of what was going on but was disappointed."

Another industrialist who attended the gathering, and asked not to be named, said the conference was a "non event" from the point of view of learning more about terms and conditions of work which may take place under the programme.

Dr William Bardo, technical director of the Marconi group of defence companies, part of the General Electric Company, said that the inter-governmental agreement simply gave UK companies a fair chance to compete with US enterprises. "After that it depends on your marketing and presentation as to whether you win contracts," he said.

● Logica and Admiral Computing, two software groups which hope to obtain SDI contracts are to work with Britain's Government Communications Headquarters in Cheltenham on a long-term plan to stop people gaining unauthorised access to information held in government computers.

Union set to make steel strike official

By David Brindle, Labour Staff

A STRIKE by workers at the British Steel Corporation's (BSC) Scottish tube plants is set to be made official after the executive council of the Iron and Steel Trades Confederation, the main union involved, yesterday authorised a formal industrial action ballot.

Production has been at a standstill since last weekend at the main Clydesdale works in Bellshill, Lanarkshire, and at the linked Calder and Imperial plants at Coatbridge and Airdrie, after a strike vote taken at a mass meeting.

BSC said 430 staff and managers reported for work yesterday; but this total is expected to fall as a result of a ballot decision by members of the white-collar union Apex to join the strike, over the corporation's survival plans for the plants.

The survival plans would mean 412 redundancies among the 2,400 employees of the Scottish tubes division. BSC, which has given a warning that the dispute could increase the number of job losses necessary, says the plans must be implemented to ensure that the division can continue to operate in the competitive international steel market.

Industries win 15% gas price cut to prevent oil switch

BY MAURICE SAMUELSON

PRICES of gas to some of Britain's most energy-hungry industries have been cut by 15 per cent in the past three weeks to discourage them from turning to fuel oil.

The cuts have been welcomed by the country's most energy-intensive industries, including steel, chemicals, glass, paper and ceramics. "At last a bit of competition in the gas market," said Mr Ian Blakey of the British Independent Steel Producers' Association, who co-ordinates the lobbying activities of the so-called "energetic seven" industries.

Cuts have benefited industries whose supplies can be suspended by agreement to meet seasonal demand surges by householders and other priority users. These customers generally have the capability of meeting their heating needs with heavy fuel oil if gas ceases to be available.

About 2.5bn therms of gas a year are sold in this way under so-called interruptible contracts. When some of these contracts came up for renegotiation, British Gas is believed to have dropped its prices from up to 29p a therm to 24p a therm. If all such contracts were adjusted by the same degree the corporation would see its year's sales fall by £100m.

It is also set to lose more income if the falling oil price prompts it to restrain gas prices for the industrial and commercial customers with firm – or non-interruptible – contracts. This market is similar in size to the interruptible market.

A typical tariff for firm industrial and commercial gas supplies is 34.25p a therm, compared with the 37.5p paid by householders. This market, whose substitute fuel is generally gasoil rather than heavy fuel oil, is less affected by the fall in oil prices.

In the firm gas market, however, British Gas is under pressure to respond to cheaper oil by foregoing its scheduled quarterly escalations in the firm gas tariffs. Last month it waived a rise of 0.3p per therm and customers hope it will do so again with the next scheduled increase.

Mr Blakey said that although firm gas prices had been frozen for nearly two years in the early 1980s, this was "the first time for a very long time that there has been talk of reducing prices in the interruptible gas market."

Evidence of the gas industry's flexibility first emerged when interruptible contracts started coming up for renewal last month. As customers reported cheaper offers of oil British Gas tried to meet them, with prices reportedly as low as 23p a therm.

GM sets the pace in new car markets

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS, the Vauxhall-Opel group, took the lead in the new car market during the first 10 days of February – a period when bad weather depressed sales.

GM's share was 24.09 per cent, taking it ahead of Ford with 21.54 per cent and BL, well below its best with 13.59 per cent. In 1985 as a whole, Ford was market leader and accounted for 26.5 per cent of total sales, BL had 17.9 per cent and GM 16.56 per cent.

According to the Society of Motor Manufacturers and Traders, new car registrations in the 10 days, at 56,936, were 9.39 per cent below those for the same period of 1985.

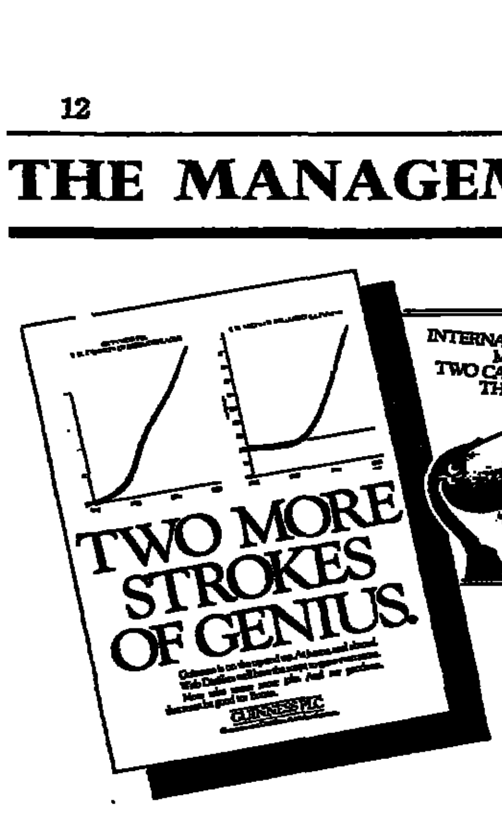
GM's growing strength in the company fleet sector – which continues to take deliveries of new cars however bad the weather – almost certainly contributed to its exceptional performance in the 10 days.

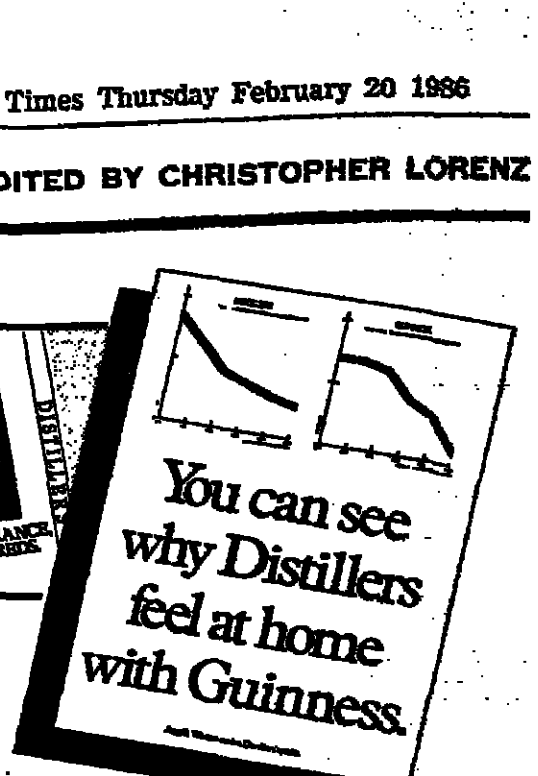
Austin Rover, BL's volume car subsidiary, will not have been helped by recent publicity. The Government revealed that Ford was potentially interested in making an offer for Austin Rover but, after being subjected to intense political pressure, last week told Ford no deal would be possible.

Importers took 55.8 per cent of 10-day sales, down from 57.8 per cent. Among the companies performing well were Audi-Volkswagen, with 5.97 per cent of the market, Renault, with 5.47 per cent, Volvo, 5.35 per cent and Peugeot-Talbot, 5.06 per cent.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ





Is it all a waste of money?

Feona McEwan and Alice Rawsthorn report on developments in and reactions to the advertising battles accompanying the current spate of takeovers

"WE'RE known as the Viv Nicholson of the advertising *business these days. Spend,* spend, spend," commented one spent adman in the heat of takeover fever last week, recalling the UK football pools winner who parted with a fortune in record time.

In the past six weeks, the UK agency Lowe Howard-Spink Marschalk has fed around £5.1m on behalf of clients Distillers and Guinness into the coffers of national newspapers.

At the height of the battle, before its referral to the Monopolies Commission last Friday, Guinness was spending around *£1m* a week blanketing the daily papers with two pages a day, from the Sun and the Star to the Telegraph and the FT.

The current spate of merger mania with its record spends, personality clashes and blockbuster tactics, ushers in a new phase in UK takeover advertising, which has previously been a comparatively lacklustre affair. As the stakes have got higher so the fight has got bloodier. The brash interloper stance of Elders IXL in its bids for Allied-Lyons, the mutual mud-slinging that has characterised the Argyll group bid for Distillers and the agreed Guinness counter bid for Distillers, the personality profiles introduced in the Burton bid for Debenhams, have all broken new ground in proxy advertising. "It's not a game of chess any more," says one adman, "it's bare knuckle fighting."

If that is so, the Advertising Standards Authority, the industry self-regulating watchdog, is unconcerned. It has received just three complaints in the past year, all of a highly opinionated nature, end reckons none has breached its Code of Practice.

The sums of advertising revenue generated by takeover *activity in the past 12 months* have reached unprecedented heights, though compared with the bids themselves or the cost of underwriting them they are peanuts. The press has been the main beneficiary since television is out of bounds for such activity. "No I can't talk to you about revenue figures," says one newspaper group's advertising chief. *"If you write about it,* the flow might dry up." Newspaper readers have been subjected to almost daily chidings, cajolings, verbal assaults and visual pyrotechnics as the various combatants fired off their latest salvoes.

Constraints which have kept this sort of tactical advertising off television have been partly circumvented by Allied-Lyons and Imperial; they have added a tagline to their existing product commercials. Viewers see "famous brands doing famously" on the end of an (Imperial's) Golden Wonder Pot-snacks ad. Elsewhere, others — most visibly Cadbury Schweppes—are reaching for *their corporate advertising* in a hurry as a pre-emptive measure.

Industry estimates of corporate advertising (which includes takeover activity) for last year put the spends as follows: Allied-Lyons, the UK food and drinks group, in the region of £2.2m to try to ward off Elders, the Australian brewing and agriculture group, which in turn has spent £1.8m; Guinness (about £1.5m) against Arthur Bell £0.5m; Burton group, the retail chain, under £1m against Debenhams' £0.75m; Fleet Holdings parted with £0.46m in defending against United Newspapers which mounted a £0.29m attack. Little discounting occurs because of the last minute nature of the media buying.

Advertising, is of course only one fraction of the total communication job in any takeover tussle. One of the more imaginative initiatives came from Halpern and Conran in their assult on Debenhams' shareholders which included mailing more than 4,000 corporate videos.

All communications are prepared at speed. Creative teams on the Guinness/Distillers bid were given only two days' advance notice and the agency was appointed the night before the Distillers bid started.

Michael Prideaux, chief executive of Charles Barker City — which handled the advertising for Debenhams, BET (the construction and publishing group) and public relations for Plessey and Allied-Lyons—recalls some of the near misses. Running a mile from his office to the Stock Exchange in 10 minutes "and I don't even jog;" steering an ad through the usual rapids of client, banker, lawyer ("who usually has apoplexy"), the Takeover Panel ("which likes as much time as you can give it") and was on its way to the papers at 4 pm only to find the bid had been referred. In two hours a totally new ad had to be assembled.

In the heat of the battle few of those involved pause to worry about a campaign's effectiveness. There is no evidence on that point since standard media analysis for tracking awareness, attitudes and so on does not apply. But many share the view of a Charles Barker City client who said recently: "I think it's a complete waste of time, but if we faced a hostile bid, I dare say we'd do it tomorrow."

"It's very easy to say don't do anything," says Prideaux, "but few people are going to take the risk of not doing anything. You can't rely on letting the arguments speak for themselves, you've got to add value, to punch home the argument." This presumably is the route taken by companies which feel they are getting unfair editorial treament.

Tim Bell, group chief executive of Lowe Howard-Spink Marschalk, has acted for Guinness, Distillers, Hanson Trust and GEC in the past two months on takeovers and he is adamant. "It's a pure form of communication, the means of delivering a message that is unashamedly biased. But every consumer knows advwrtising to be biased."

Reg Valin of Valin Pollen, the advertising and PR agency, is sceptical. "The tendency to blockbuster (sic) with full page ads is wasteful and ultimately leads to confusion. We'd argue, as investor relations specialists, that it's being done by people without other skills. There are accurate rifle-shot methods available rather than the nuclear weapon."

Others feel more strongly. Malachy Quinn, creative director of Aspect Hill Holiday and formerly of Dewe Rogerson and who was bred on financial accounts, is concerned about the latest offerings, especially the ploy used by both Argyll and Distillers to create a negative impression of the other using selective graphs. "The irrefutable half truth," he calls it.

Strategy obviously varies according to circumstance. Up until an OFT ruling the issues are rarely about finance—though, as everyone knows, it is on the terms alone that a takeover is ultimately settled. Hanson, for instance, with a reputation for thrift, took to the pages of only one newspaper (the FT as it happens) to pave the way "in a whisper not a shout" for its Imperial assault.

The emphasis placed by Guinness and Elders on brands and management in their arguments has focused attention on company performance in commercial markets as oppo to the stock market. "This new marketing factor stresses the underlying business rather than saying my PE is higher than yours," says Prideaux.

So just who do the combatants aim to buttonhole with their point-scoring volleys? The audience is certainly wider than institutional shareholders — commentators, opinion formers, politicians, own shareholders and st:" (boost the troops), the target company's shareholders and staff, and consumers who may also be potential shareholders. Of the decision to blanket the press in the recent flexing of Guinness muscle, Tim Bell challenges the assumption that private shareholders only read the quality press. "It is an issue of national importance and we wanted to reach everyone."

At the end of the day, most communications specialists argue that there is no substitute for longer range, pre-emptive strategies to woo shareholders, perhaps in the form of a comprehensive corporate communications plan—including advertising perhaps. "You're only vulnerable," reminds Valin, "if the share price doesn't actually reflect the potential of your company. If the City knows how you're faring and your performance, predators can be kept at bay."

Anthony Carlisle of Dewe Rogerson, which handles Elder IXL among others, endorses that view. "The majority of UK companies are largely unknown to their audiences, with few exceptions. Most of the top 200 companies don't even have any research to show how they are regarded by their key customers. Now people who haven't taken seriously the need for corporate communications are feeling the predatory breath over their shoulder and making up for lost time."

F McE

BUT does takeover bid advertising work? Given that most consumers are loath to admit that a television commercial could persuade them to buy one brand of baked beans rather than another, the institutions are hardly likely to accept that a newspaper advertisement, however wittily worded, could affect their attitude towards a bid. Nonetheless, fund managers rail against bid advertising with more than their usual vehemence.

"I find it disturbing, deeply disturbing," thunders the fund manager of one insurance company. "Far from swinging shareholders in the board's favour, spending millions of pounds on newspaper advertising, often in newspapers they don't even read, is much more likely to alienate them."

This antagonism is partly rooted in the form and content of bid advertising. "It is always the same formula," says one pension fund manager. "Pick on a small part of a company's *activities,* distort the timescale and draw a thick, black line pointing downwards.

"Shareholders aren't idiots. Advertisements like these simply insult their intelligence. The advertising industry is supposed to have a code about being legal, decent and honest. These advertisements may be legal, but they are neither decent, nor honest."

But the chief cause for concern is the amount of money spent on bid advertising.

"Guiness started it all in the summer with the Bells takeover," says one fund manager. "But with the proposed Distillers merger its expenditure reached ridiculous proportions."

But the institutions had become concerned even before Guinness stepped in to play the profligate white knight with Distillers' money.

In January, before the Guinness campaign began, the *investment protection* committee of the Association of British Insurers discussed the issue of bid advertising. It is insurance committee of the Association of British Insurers discussed the issue of bid advertising. It is thought that a significant lobby favoured aproaching the high spending bid advertisers to communicate the institutions' concern.

Nonetheless there is some sympathy for companies, particularly for defendants, which are hauled into bid advertising, possibly against their better judgment, because of the sheer scale of expenditure by their assailants.

"But even so they must ensure that they don't fall into the trap of debating petty points and non-issues," says Andrew Presser, chief executive of CIN Management which administers the National Coal Board's pension fund. "And they must beware *that, at times, over-exposure* can be counter-productive."

There is also the abstract issue that "marketing" has surfaced as such a fashionable phenomenon in the City that companies can win or lose a bid by presenting themselves as "good" or "bad" marketers. The use of corporate advertising in a bid battle is the most tangible way for a company to assert its marketing credentials.

"The typical scenario is of a company spending shareholders' money on very expensive advertising to compensate for press criticism of its performance or for poor communication in the past," says one institutional investor. "And it is these companies which are most likely to become the victims of a takeover bid and are most likely to lose it."

AR

Jenner and Keating

FOLLOWING our article "Yearning To Go Solo" (January 30), we have been asked to point out that Neil Jenner and Patrick Keating of agency Jenner Keating Becker previously held the positions of deputy managing director and deputy creative director, respectively, of agency Reeves Robertshaw Needham.

TECHNOLOGY

Walter Ellis discovers dramatic improvements in manufacturing efficiency at the UK aero engine maker

Rolls-Royce hits target after taking Aims

PHOTOGRAPHS taken at the Rolls-Royce assembly plant in Derby in 1908 show large, strangely upright cars being constructed amid the clamour of heavy machinery. The distinctive grilles peer haughtily above the chaos.

In the foreground of one picture can be seen a tiny rail car which carried parts from one section of the line to another, helping to maintain a steady flow of production.

In 1986, such vehicles are hardly remembered. Their successors, a squadron of battery-powered robots, scurry noiselessly round the same workshop, guided by cables buried alongside the tracks in the floor. The newcomers are part of an advanced integrated manufacturing system (Aims), which Rolls-Royce describes as a breakthrough in manufacturing technology.

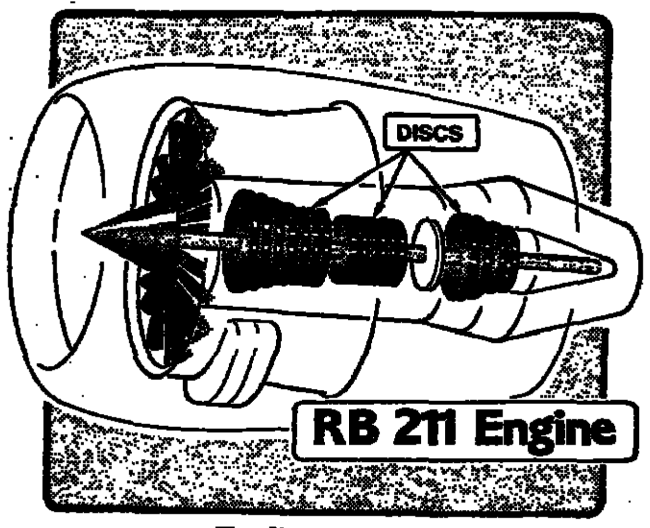
Discs—the rotating components in a jet engine that hold the compressor and turbine blades—are vital both for efficiency and safety. There are 17 AIMS-manufactured discs in the RB211-524, which powers the latest generations of Boeing 747 and 757 aircraft as well as the Lockheed TriStar. They run almost throughout the engine's length and represent much of the unit's value.

AIMS, which cost £4m to design and develop, had three objectives:

- To increase productivity by 40 per cent;
- To reduce lead times—the period between receipt of an order for a component and its despatch—from 26 weeks to six;
- To cut work in progress by two-thirds.

It also had to pay for itself within 12 months.

In the new system, all the machinery and procedures necessary for production and inspection of discs have been brought together under one roof, organised sequentially in "cells" and served by robots. The system is computer-controlled, driven by powerful software developed by Rolls-Royce.



The discs inside an RB211 engine and, right, a robot vehicle at the Rolls-Royce plant

Rolls has been looking for a means of improving efficiency in its discs sector for some years. The idea of integration emerged in 1984 and AIMS was set up in just 13 months.

Max Butcher, project manager, says safety requirements make big demands on disc production. Each component must carry its own production history and its own ID. Quality is vital. Further anxiety is created by the cost of materials. Individual discs for the RB211 are worth at least £26,000 at factory prices, rising to as much as £40,000.

Before AIMS, Rolls-Royce was plagued by high stocks in its discs section. Aircraft builders can make an airframe in 12 months; Rolls had needed two years notice to come up with the engines. Thus there was a tendency to build for stock. If response times could be improved, it was argued, it would impossible to build for the market. The "just in time" philosophy of the Japanese would be matched.

Several problems arose. First, machinery had to be found which could speed up manufacturing without sacrificing quality.

Second, the number of tools used had to be cut heavily—indulging engineers and machinists had allowed more than 2,000 cutting tools to be developed over the years; work in progress took so long that nine components could be waiting in line while a tenth was machined.

Third, co-ordination had to be achieved so that when one process finished the next could begin almost at once.

Last, the distribution and storage of parts had to be automated. Men with push-trolleys weaving in and out of workshops, overlooked by men on ladders searching among racks, were to be things of the past.

The success of AIMS can already be gauged by the cash saved. In 1978, stocks were worth £11.5m. By 1983 the figure was £6.9m. This year, the value is expected to be no more than £2.3m. A one-time saving of £4.6m has been achieved on stock holdings, based on 1983 loads, and there will be an estimated annual interest saving on stock-carrying costs of £700,000 at 1984 prices. Moreover, disc output is much quicker than before AIMS was introduced while the workoforce has been halved to around 80.

Machine lifts output twentyfold

THE MACHINE that has most transformed production at Rolls-Royce's AIMS plant is the Heyligenstaedt twin-sided profile turner, which can turn both sides of a turbine or compressor disc simultaneously and is 20 times faster than its predecessors.

Four are installed in Derby, each costing £1m. Heyligenstaedt developed the machine in West Germany in the late 1970s in close co-operation with Rolls, and the British company notes ruefully that Pratt and Whitney — a bitter rival—has now ordered identical machines for its US factories. Rolls did not take out patents.

Mandelli of Italy relocated a batch of machines for drilling, reeling and milling. Rolatruc of Sweden built the robots. Messer Griesheim, Siemens and Schinpke-Haan of West Germany also contributed. LK Engineering, of Castle Donington, part of the Cincinnatti - based Milacorn concern, made the Microvector —a multi-axis co-ordinate measurement machine.

John Harris, manufacturing manager for the discs, wheels and blades division at Rolls-Royce, regrets that there has been no substantial UK input on the machine side. "The British machine tool sector didn't want to know," he says, "and now they couldn't handle it."

Re-tooling — more accurately, de-tooling — was an even greater success. The 2,000 cutting tools previously used were reduced to 100.

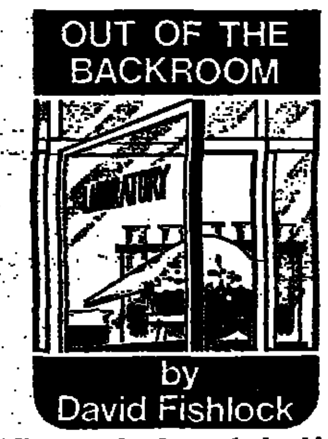
Another breakthrough was the adoption of a standard slave ring and slave centre. These shape and refine the circumference and core of a disc, and the new duo can perform duties previously requiring a multitude of tools.

Co-ordination and control are at the heart of AIMS. By 1981, much of the work of introducing new machines and rationalising production had been carried out. What was lacking was a means of getting the most out of the system.

Computers were obviously the key but were of little use without specialised software to drive them. Rolls soon realised that its needs were too specific for a bought-in solution. A team of company experts was assembled instead and 16 man-years of effort yielded a control programme in little more than 12 months.

Professor George Radda with his magnetic resonance spectrometer.

Magnetism offers fresh insight into health



PROFESSOR George Radda is a scientist with a mission to understand illness — precisely where the breakdown occurs when we fall sick, or what vital ingredient may be missing in people born ill. He sees the patients who baffle the doctors. His team in Oxford has made its name internationally in pinpointing the cause of obscure diseases and in finding cures.

Prof Radda, officially British Heart Foundation professor of molecular cardiology in Oxford University's department of biochemistry, has a team of 35. While other Oxford medical researchers are campaigning for more government funds, Prof Radda has amassed close to £2m from public and private sponsors.

Finding the cash to keep their instrumentation competitive internationally is a major problem for many British researchers.

His four key instruments, developed since the early-1970s in close collaboration with the makers, afford a new way of examining the biochemistry of our bodies. They can look right inside the living tissue—the heart or the kidney, for example —and spot where the chemistry is going awry.

Hazards

The technique is called nuclear magnetic resonance (NMR) spectroscopy. NMR has excited public attention recently as a new kind of medical scanner, capable of "imaging" the recesses of the body without exposing patients to the hazards of X-rays. It has proved possible to generate vivid pictures of organs, such as the heart at work, and to measure temperatures and flow-rates of body fluids without "invading" the patient with needles or tubes.

Prof Radda is using NMR in a quite different way, to follow the biochemical reactions which turn bio-fuel into energy driving a muscle, for example, or which generate the electrical signals of the nervous system.

He is applying a tool already well-known to the chemist as a powerful way of resolving the structure of a complex synthetic bio-chemical such as a new drug or pesticide, to the problem of living molecules and the biochemical reactions inside his patients.

The essence of NMR spectroscopy is to strike one particular ingredient with microwaves, so that it gives off a characteristic signal. In order to make it sensitive enough to hear this signal, the experiment must be shrouded in an intense magnetic field.

Working closely with Oxford Research nearby — initially a subsidiary of the Oxford Instruments group but since sold to the West German firm Bruker when its British founders decided to concentrate on high-field magnets rather than NMR instruments — Prof Radda's group has developed a series of NMR spectroscopes. The latest will accommodate a whole patient.

They have been studying patients who complain of excessive fatigue—mental as well as physical—after a bout of viral infection. Doctors do not understand this condition but the team has observed some quite abnormal biochemistry occurring early in exercise in 14 such patients.

Prof Radda sees NMR spectroscopy as a "window" through which science can begin to observe the human machine as a whole, rather than piecemeal, as in traditional medicine. It is beginning to reveal how the organs and parts interact biochemically; and how they try to adapt to any disease or damage

Defects

A chronic condition—such as a genetic defect—usually leads to major adaptive changes in the body's biochemistry, he concludes. If NMR spectroscopy can explain how nature tries to adapt to damage and defects, doctors may be able to devise treatments that help the process to take place faster or more efficiently.

He has coined the term "adaptive therapy" for this new concept of medicine, in contrast to the "replacement therapy" pratcised at present. Sometimes it may mean as little as a minor change in diet.

NMR scanning, although widely used by doctors, especially in private medicine in the US and Japan, is still a research technique rather than an accepted diagnostic practice like X-rays.

But the main manufacturers such as GEC-Picker in Britain, US General Electric, Siemens, Philips, have begun to see the potential for combining imaging and spectroscopy in one machine.

The Run to Earth/Apollo, Oxford

Clement Crisp

I do not believe that obscurantism in the theatre has any merit. The audience's age-old cry of "What's it about?" may sometimes ask for messages where no message exists, but it is an understandable response to that frustration which comes when, as with Siobhan Davies' new piece for London Contemporary Dance Theatre, something is clearly going on, but no information percolates from the arcane rites on stage.

It is a nice comment upon the supposedly "popular" contemporary dance manner that, unlike the "elitist" and "snobbish" and "difficult" art of ballet, it leaves questions unanswered that no classical choreographer would dream of posing to a hapless audience.

Miss Davies' latest, *The Run to Earth*, is set to some background susurrations and tweetings by Brian Eno. There is a menacing and tatterdemalion back-drop, like Crô-Magnon laundry, by David Buckland and Russell Mills, which imperceptibly lowers part of itself on to the stage.

Two dancers, Lauren Potter and Darsham Singh Bhuller, are marked out from the rest of the cast by their blue-green tunics and tights. The four other couples wear silvery brown. The leading pair dance, protecting each other, dragging about the stage or reposing, while the remainder wander, pose, lean, and make little shapes on the ground—the movement language exhausting itself long before the curtain falls.

During the lengthy 30 minutes of the work, there is plenty of time, so dull the dance, to wonder just *what* is going on. Are there hints of obstetrics, biological mutation, post-holocaust society, or merely the Manic-Depressive Formation Dance Team on a bad day? I neither know nor care. Pretention and non-communication reign.

The LCDT dancers labour manfully, but give a general feeling of spiritual exhaustion. How much better are they served in Christopher Bannerman's *Shadows in the Sun*, with its handsome lighting, and the expressive incidents the choreographer has abstracted from the novels of D. H. Lawrence. Fine dancers are well employed, and look splendid.

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Tribute must be paid to the memory of Joseph Duell, whose death occurred in New York on Sunday. A principal of New York City Ballet, Duell was a dancer of elegant style, noble bearing, sure talent.

In his 30th year he had already given much to his company, and we had much more and much greater hopes for him. I have, during the past decade, reported with admiration on his performances in many roles—most recently in *Liebesliederwaltzer's* ideal cast—and on the promise of his first choreographic essays.

His *La Création du monde* for School of American Ballet students; his *Introduction and fugue* in the 1981 Chaikovsky Festival, told of a grasp both intellectual and musical of his craft. He was also possessed of an admirable analytic intelligence allied to great charm of manner.

One of two brothers, both principals of the company, Joseph Duell had gifts that should have led him to the grandest achievements of his calling. His death has diminished the world of ballet. He had grace of spirit as well as of manner.

Joyriders/Tricycle, Kilburn

Michael Coveney

Christina Reid's tough, funny and pungent new play for Paines Plough opens with a quartet of Belfast kids giggling irreverently at a performance of *The Shadow of a Gunman*. When Minnie Powell is shot dead, only one of them, the susceptible Maureen, is moved. The snapshot dissolves to the Divis Flats centre in West Belfast where a social worker from along the Malone Road is running a scheme offering training in hair-dressing, cookery and electric knitting.

The design by Ellen Cairns shows the flats subsiding in a blow-up black and white jigsaw and the young residents see *nothing but a dead end*. Maureen's mother has gone mad, her brother is glue-sniffing. Tommy is an angry member of the party, Sandra a discouraged kleptomaniac. And Arthur, with a limp and a steel plate in his shaven head, is waiting for his compensation claim to come up in court.

Arthur is claiming against the British army after injuries sustained in that popular pastime of the Belfast youth culture — joyriding, or driving a car recklessly and without authorisation through military checkpoints and brick walls.

With the do-gooding superviser Kate (Veronica Duffy) lamenting her shadow socialism with the encroachment of middle age and various teacher/pupil duets interrupting an occasionally contrived scenario of disgruntdled inaction, there is a danger of the play slipping into formula and routine. But the sharpness of the writing keeps it going until lyricism breaks through and dramatic tension develops out of the corporate response to Arthur's court victory.

Arthur returns in his ill-fitting slate grey suit £70,000 richer (deposited in a trust) to declare himself "the most ill-egible bachelor in West Belfast." The party removes to Kate's house (wine and candles) and Arthur persists in his stalking of Sandra, even if she is stashing away Kate's whisky in a plastic bag. Arthur will finally set up his business, but the disenchanted Sandra will go no more a-joyriding in the back seat. Gerard O'Hare, scarred and vibrantly funny, and Michelle Fairley, sour and depressingly realistic in outlook, play this relationship to perfection.

Things do pile up a little, rather in the manner of the O'Casey play: Tommy (Fabian Cartwright) has his hands smashed by some soldiers raiding the flats after an outbreak of looting, and Maureen, luminously played by Clare Cathcart, is suddenly revealed to be pregnant by a nice middle-class student she met wandering round the Botanic Gardens. As the centre prepares for a visit from a Home Office official ("Non-Sectarian Nosh Here"), Maureen rushes into the street as her young brother points a car at the brick wall . . .

Pip Broughton's production makes robust inter-scene use of defiant songs first written and performed by Divis Flats residents while ensuring that the performance is moving without being mawkish throughout. The Thomas Kilroy play in Londonderry last week was part of the Irish renascence in poetic, allegorical drama that thrives alongside the flinty documentary theatre of Martin Lynch, Graham Reid and (no relation) Miss Reid. The troubles have a habit of producing strong drama, and that is just one strong link this play has with O'Casey.

Gallery Notebook/William Packer

Tribute to contemporary painting

The Juda Rowan Gallery spent the autumn celebrating 25 years of dealing in contemporary art. Now it is paying tribute to the Contemporary Art Society which is in its 75th anniversary year (11 Tottenham Mews, W1, until March 1).

Caryl Hubbard, the Chairman of the society, has been invited to make a personal selection from the work of artists represented by the gallery and 20 per cent of all sales is to go into the society's funds. No other conditions were place upon her, but it is in the nature of the long-standing relationship between the two parties that most of the 10 artists she has fixed upon should have had work bought by the society at one time or another.

Mrs Hubbard has confined her choice to works on paper, with two or three small paintings on chipboard by John Golding the only exceptions. Each artist is allowed a group of works hung together and all, in the event, is arranged with admirable clarity and sense of space.

The scope of the gallery's interest in British art is reflected, if not actually defined, and it is no surprise that most of the work should be non-figurative. The trend of the times may be away from abstraction, but quality is always more interesting at heart than to be reminded so lightly that such artists as Bridget Riley and Paul Huxley are among the best we have.

Alan Reynolds, too, shows himself to be an artist of real power, for all his exquisite and somewhat self-effacing refinement, while Nigel Hall seems ever stronger and authoritative beneath his draughtsman's rather than his sculptor's hat.

As for the figurative work, it *needs no special plea entered* in its behalf. Michael Kenny's emblematic drawings upon and around his ideas for sculpture grow ever more self-sufficient, just as the large relief panels *he has* lately shown have become so painterly. Anthony Green's working drawings are what they always were: direct, practical and wonderfully engaging. David Nash, another sculptor, is the gallery's recruit, whose work is figurative in that it is worked from and in nature and the landscape. His drawings for projects hint at what we might see when he shows in the gallery later in the year.

Covent Garden in the late 1930s, as observed by fashion illustrator Francis Marshall

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Fashion illustration as a means of description and reportage flourished through the 1950s but then vanished suddenly as editors lost either nerve or interest, or finally accepted the specious superiority of the photograph.

Francis Marshall, whose work is on show at the Parkin Gallery (11, Motcomb Street, SW1, until March 14), supplied the image of high fashion in magazine, newspaper and advertisement to millions whose curiosity may never have extended beyond those familiar signature initials. Here we see the argument for wit and charm and sophisticated graphic observation revived most persuasively.

Marshall was more social observer than fashion specialist, always seeing *la mode* in its social context, the beautiful woman his essential study as an artist as she swept through the great world of theatre, ball and banquet, and the outdoor life of the countryside and travel. London, with its street life and social rituals and contrasts, was his other abiding preoccupation, and all came together in sketch-book after sketch-book which he filled with the lightest note and scribble to catch each trick of attitude and gesture.

It is wonderfully enjoyable and seductive material, beautifully competent and effective within the natural limitations of the genre. But we should not miss the point that Marshall was an artist first and an *illustrator* second, who found his *metier* and was able to develop it over many years. Editors cannot excuse their late neglect —things are now a little better —by the *self-answering* argument that young artists no longer came forward for encouragement, when exactly such encouragement was hardly offered.

*

Mário Grav Borges, at the Stephen Bartley Gallery (62 *Old Church St, SW3, until March 1*), is a young Brazilian painter who has worked and shown in London before, but has only lately returned from an extended period in his home *country*. He *is* showing a range of recent work, but it is the latest that is the more interesting, for he has moved away from a flatter, more graphic and openly decorative *quality in the work* towards a denser and richer surface and more ambiguous imagery.

He calls his paintings still-life landscapes and indeed he does look both near and far and move, with a curious dexterity, between interior and exterior spaces, the imagery of streets, seascape and table top faceted and fragmentary. These paintings are *generally modest* in size and sometimes tiny, yet it says much for their authority and rightness of scale that they should register in the visual memory so strongly.

Fierrabras/Playhouse, Oxford

Rodney Milnes

The failure of a genius of Schubert's stature to write a successful opera—and he tried repeatedly—remains one of the most intriguing byways of musical history. Not all would accept that he failed: Clive Brown, who conducts the Oxford University Opera Club's production of *Fierrabras* (1823) has described it in *Opera* as a neglected masterpiece, and his heartfelt advocacy shines through every minute of his well-paced, affectionate direction of an ambitious staging by David Cann in clever decor by Peter R. Hall (Franks and Moors are presented as undergraduates and punks, i.e., Town versus Gown—and it works). Neglected *Fierrabras* certainly is—it remained unperformed until long after Schubert's death—but a masterpiece, alas no.

Problems start with Josef Kupelweiser's libretto in the heroic-chivalric mode much in favour at the time (*Euryanthe* was premièred in the month that Schubert finished *Fierrabras*). There are two sets of ill-starred noble lovers, two heavy fathers, one outsider tortured by unrequited love, plus necessary confidantes, and the action oscillates between Moorish and Frankish camps. There is thus an awful lot of plot.

The most interesting character is not the eponymous Moorish prince (though this alienated outsider must have appealed strongly to the composer) but the young knight Eginhard, whose dishonourable behaviour in Act 1 motivates one strand of the action. It is symptomatic of the unwieldy structure that when he settles down to express remorse in Act 2, what should develop into an interesting *scena* is brutally interrupted by marauding Moors, simply because we have to get on with the action. Kupelwieser seldom gives the composer time to develop the characters musically.

It goes without saying that the score nevertheless contains much glorious music. There are gentle, folk-based choruses of abundant charm, and a duet for lovers meeting by night of such piercing beauty that one wishes it would go on for ever (Schubert, being Schubert, it very nearly does). There is an especially fine, restlessly modulating number for the troubled Moorish Princess in Act 3, and a tormented solo for Fierrabras that is extremely effective as long as you forget the corresponding passage in *Euryanthe*, a score that casts a long, long shadow over *Fierrabras*.

But in amongst much highly competent through-composition of narrative *and dialogue* (speech and *melodrama* also play their part) there are moments where you feel that the composer resorted to the automatic pilot, if for no other reason than that he completed the score in a matter of weeks. More troubling are passages of perky Schubertian charm that are inappropriate to the dramatic situation: what should be a *thrilling escape in Act 2*, complete with *Fidelio's* trumpet call, is delayed by admittedly good music to near-farcical effect.

But if *Fierrabras* fails in the end—and the only way to find out is to see it on stage—it does so to music that no one with a soul would want to miss, and there are further performances tomorrow and on Saturday. The devoted cast, headed by Alison Truefitt, Neil Lunt and Paul Wilson, also includes Christopher Parke, a remarkably gifted undergraduate whose well-rounded, mature bass-baritone could earn him a professional career if he so chose.

Die Loreley/Bloomsbury

Max Loppert

Max Bruch (1838-1920) was a prolific composer to whom posterity has allowed only a single widely-remembered work. But, as well as *the* violin concerto (the first, of course, in G minor), he produced orchestral works and quite substantial choral compositions in some profusion. And there are the three operas, one of which, the youthful *Loreley* (1863), had quite a success in its day. It is *this that University College* Opera has chosen for its annual opera production — Tuesday evening's opening performance seems to have been the work's British premiere.

The Libretto, by Giebel, was originally written for Mendelssohn, who died having tackled only a very few scenes. Its subsequent publication inspired the young Bruch's enthusiasm, and he persevered until permission to set it came his way. On Tuesday it was impossible to understand the point of such perseverance—just as it was hard to divine why the result enjoyed even a brief vogue, or (to be brutally honest) why the UCO music director Christopher Fifield should think it worth reviving at all today. The plot summary reads like a version of *Giselle* in which peasant-girl victim and avenging Wili are combined in the same character (the heroine Lenore, betrayed by the noble Otto, joins forces *with the Rhineghosts to secure* his downfall).

For the date, this brand of watery Romanticism was surely already beginning to seem old-fashioned. It could be said that Bruch's score keeps close faith with it by sounding old-fashioned itself in every bar (*listening to Die Loreley*, one might be excused for forgetting that the chromatic harmonies of *Euryanthe* or *Lohengrin* had ever existed, let alone preceded Bruch's diatonic blandness).

But it's not the retrogressive nature of the music that proves wearying so much as its apparently inert, undramatic nature. Formulas are rolled out in plump, anodyne textures and chubby but unmemorable vocal lines, and then repeated at length. (The failure to concentrate any impetus in the fourth and last act is the epitome of this process.) There are pleasant choral episodes, which one might quite enjoy at some amateur German choral competition. But in the theatre, nothing sticks, and very little *works*.

As it happens, keen choral singing was one of the main virtues of the performance. It was the sort of occasion which the kindly reviewer desperately scours for virtues; but the production produced very few—the combination of no money and vaulting ambition is always a particularly risky one, as more than one episode here proved (why have the armpits of the male choristers been shaved?). There is a sound cast, led by Penelope Chalmers (musical, not always forcefully projected, in the *soprano title role*), Mark Hamilton, Elizabeth Brice, and a notably promising young baritone in Howard Charles. The opera is sung in comically variable German. Further performances tomorrow and Saturday.

Alastair Muir

Michael Attwell (top) and Sylvester McCoy

Satie Day/Night/Lyric Studio

Martin Hoyle

The composer Erik Satie was half-French, half-Scots. This may explain why Adrian Mitchell's two-man "musical party" about him at the Lyric Hammersmith Studio emerges as a long music-hall turn of pawky quirkiness, northern European whimsy expressed with Gallic precision; as if Ivor Cutler *had sat his baccalauréat*.

This vaudeville presentation of Satie's life begins with ominous tweeness as bulky Michael Attwell, in an insecure false beard with a seagull fastened to his yachting cap, trundles on with a wheeled boat. Sylvester McCoy demands a story from Uncle Seagull and we launch into Hans Andersen's Little Tin Soldier. The tale is resumed sporadically throughout the play, a counterpoint to Erik's own vicissitudes, to merge finally with Plato's account of the death of Socrates, another thread in Satie's cultural obsessions.

He was also a political radical, which led to a rift with his more prosperous friend Debussy (whose Christian name is rendered by the undisguisably Caledonian Mr McCoy as Clod). Capable of lowering a fee offered him (he thought it too generous), Satie was nicknamed "Mr Poverty." He bought 12 identical corduroy suits and put them away untouched. His interest in phonometry prompted him to compose *Three pieces in the shape of a pear*. A cafe pianist, he wrote music-hall songs. He was, in short, that theatrical menace, a lovable eccentric.

A menace because the writer's, or actor's, temptation is to lose sight of normality. Hence the remorseless facetiousness of Mr Mitchell's script, ranging from the venerable — if "I was born into the world at an extremely early age" are Satie's own words, the author does him no service in recalling them — to the corny: cries of "sacred blue!" or "derrières up!"; references to *a one-cheval town; and, unpar*donably, "pardon my French." All of which yields diminishing returns as we forget the genuine oddity of real Satie.

Mr McCoy's brilliance as a *clown almost* carries the show. Resembling an athletic Toulouse - Lautrec miming various sports, disastrously waiting at table and fishing a sock from the soup, he is easily in the league of the great silent screen comics.

The pianist Clare Sutherland, in beard and male attire, provides a musical accompaniment as Erik's alter ego.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

Feb 14-20

PARIS

Rembrandt's engravings: Engravings from the Dutuit collection represent Rembrandt's intimate world, his family, his friends, even shopkeepers and beggars. Every subject interests him, from biblical scenes to the most varied expressions of his own face, from a portrait of a philosopher to an image of a couple making love. He experiments endlessly with the technique of etching, with different types of paper until he achieves the same strength of artistic expression in engravings as he does in paintings. Petit Palais, Closed Mon, Ends April 20 (4265 1273).

WEST GERMANY

Berlin, Schloss Charlottenburg, Orangerie: Art During The British Exile. 300 works by 30 painters, architects and photographers are on show. Among them Kurt Schwitters, Walter Gropius and Tim N. Gidal. Ends Feb 28.

LONDON

The Royal Academy: Sir Joshua Reynolds. The long-awaited tribute from the Royal Academy to its founding president fills the principal galleries of Burlington House until March 31 (sponsored by National Westminster Bank). A truncated version has already been shown in Paris. It is an equivocal compliment, for it confirms Reynolds as one of England's major art-historical heroes and exposes his limitations as a painter. Lacking the flair of such contemporaries as Ramsay and Gainsborough, let alone of the older masters of the grand manner, such as Van Dyck and Veronese, he had the ambition to match himself against them, and whatever he achieved in position and accomplishment was by effort and determination.

BRUSSELS

Women in Pharaonic Times: 96 objects from the Cairo Museum including jewellery, make-up and perfume cases, religious objects and musical instruments reflecting the status of women in Court and Temple roles. Musée d'Art et Histoire. Ends Feb 28.

NETHERLANDS

Groningen, Groninger Museum. 17th and 18th-century drawings from the collection left to the museum by the distinguished art historian C. Hofstede de Groot, including sheets by Rembrandt, Cuyp and Koninck. Ends Mar 2.

ITALY

Milan: Palazzo Reale and Palazzo Bagatti Valsecchi: Edvard Munch (1863-1944): A large retrospective show by the Norwegian forerunner of the expressionists. An extraordinary conveyor of pain and anguish. Most of the paintings are from the Munch Museum in Oslo. Until March 12.

SPAIN

Barcelona Thesaurus. L'Art dels Bisbats de Catalunya sponsored by the Fundacio de la Caixa and collaboration of Tarragona's Episcopate. 170 works carefully chosen and of great value. All pieces have been cleaned, restored and thoroughly catalogued. Palau Macai, Paseo de San Juan, Barcelona. Ends March 2.

NEW YORK

Metropolitan Museum: Liechtenstein, the Princely Collection, one of the greatest private collections in Europe, shows a variety of the holdings, like a French Rococo carriage, firearms, sculpture and a hundred paintings, including 19 Rubens, five Van Dycks, and eight Franceschinis. Ends May 1.

WASHINGTON

National Museum of American Art: 73 works of New Zealand Maori artists show the mixture of religious, symbolic and artistic traditions in feather capes, ceramic vessels, carved and painted gourds and woven hangings using native materials. Ends March 9. Renwick Gallery.

TOKYO

Masterpieces of Karatsu Ceramics: One hundred antique bowls, jars and vases of 16th-century Korean-influenced ware from Kyushu, the large Japanese island nearest Korea. Karatsu is made from sandy, iron-bearing clay and decorated with glazes of dark brown iron and ashen white. Formed by hand, they possess a rustic, warm quality and are extremely attractive. Idemitsu Art Gallery (9th floor of Kokusai Building, Marunouchi, near Ginza and main hotels). The museum also offers a quiet tea room and excellent views over the oasis at Tokyo's heart, the attractive moat and greenery around the Imperial Palace. Ends Mar 16. Closed Mon.

Royal Academy/Antony Thorncroft

Burlington goes British

The Royal Academy at Burlington House announced its 1986 programme yesterday. The flavour is distinctly British, with an emphasis on non-painterly art forms.

On March 21 an exhibition opens devoted to the works of Sir Alfred Gilbert, for ever associated with his sculpture of Eros, but one of the most famous, and now forgotten, artists of his generation — the last two decades of the 19th century.

Then, after the Summer Show, which runs from May 31 to August 24, an autumn exhibition celebrates the work of three British architects — Foster, Rogers, and Stirling. It will be the first big show of British architecture at the RA for half a century and will attempt to present the creations of the trio in a more immediate and popular form.

Paint makes a belated reappearance at the RA on January 15, 1987, when *British Art in the 20th Century* attempts to do for home-grown art what the recent show of 20th-Century German art did for that country. Everyone from Sickert to Gilbert and George will be included *in what should* be a memorable occasion.

For the winter of 1987-88 the Royal Academy hopes to mount one of its blockbusters, this time devoted to Gothic art.

*

London is awash with continental picture dealers, many of them Italian, buying up stock at the auctions. Sotheby's surprised itself yesterday by making £523,160 in a morning session of Old Masters with some prices way above forecast, most notably the £30,250 (top estimate £9,000) paid for a still-life of flowers by Jacobus Linthorst. Such paintings are in great demand at the moment.

The Italian dealer Lupi paid £19,250 for the *Road to Calvary* from the studio of Pieter Aersten, while another Italian dealer, Esperia, paid the same sum for a pair of kitchen still-lifes by Felice Boselli.

Christie's Chinese sale was rather disappointing, with a morning total of £75,324 and 32 per cent unsold. A massive famille verte fish bowl, late Quing, was on target at £5,400.

'Cafe Puccini' at the Wyndham's

Cafe Puccini, a musical biography of Puccini by Robin Ray, will open at Wyndham's Theatre on Marsh 12 following a run at The Theatre Royal, Brighton.

Directed by Christopher Renshaw, designed by Tim Godchild and with musical direction by William Blezard, the cast includes Lewis Fiander, Nichola McAuliffe, Charles West, Terence Hillyer, Jacinta Mulcahy and Maurice Clark.

Cafe Puccini is presented in London by Cameron Mackintosh and The Really Useful Theatre Company.

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Thursday February 20 1986

Cross-talk act on the dollar

IF THE ART of currency management is to keep the markets guessing, as practitioners in the Bank of England fervently believe, then the US authorities are showing themselves masters in the art. On Tuesday Mr James Baker, US Treasury Secretary, told Congress that the administration would "not be displeased" with a further fall in the dollar. The markets promptly obliged. Yesterday, in testimony to another committee, Mr Paul Volcker, chairman of the Federal Reserve, warned that a fall could be inflationary, could undermine the confidence of foreign investors, and might therefore become an important factor in US monetary policy. He went on to take up administration hints that the US would welcome a new attempt at international monetary reform.

The markets will probably continue to pay more attention to the administration than to the Federal Reserve at this stage. Mr Baker has proved a determined and effective devaluationist since he took office, and Mr Volcker has sounded his cautionary note without effect at several earlier stages in what has now been a very substantial decline. Indeed, the dream which all central bankers seem to treasure, of achieving substantial adjustments in quiet and orderly markets, is probably unattainable. The British experience of recent weeks shows that market-imposed adjustments can be fairly painless if they are not resisted. Indeed, the only effective way to stifle bearish sentiment in a declining currency is to allow the market to attain a level which a sufficient number of traders believe is undervalued.

Rate rebound

The real question for the dollar is whether it has now completed a sensible adjustment, so that any further fall represents the normal overshoot of major market shifts, and is likely to be reversed either through an exchange rate rebound or, as Mr Volcker might fear, through a rise in inflation which would reduce the dollar's real value in line with its market price.

As far as competitiveness is concerned, Mr Baker's judgment that some further adjustment would still be right is at any rate defensible. It is not many years since Mr Volcker, speaking before the dollar's rise was well under way, ventured a private judgment that an appropriate rate against the D-mark might be found in the DM 1.70-2.10 range; it is still a little above the top of that. By the same taken, the inflationary impact of the fall so far should be limited. Exporters to the US will in most cases be able to maintain their dollar prices, though the profit margins available will now be normal rather than super-attractive.

However, Mr Volcker's cautious instincts are surely sound; the dangerous territory where devaluation would indeed court inflation, by isolating the US market from competitive pressures, is quite near. Those American optimists who seem to believe that the collapse of the Opec cartel has banished all inflationary risks are placing far too much weight on their oil forecasts; this remains a struggle for market power, with unpredictable results.

The first rebound in the oil price will probably produce a more sober mood in the US, and then Mr Volcker's other warnings and aspirations will become relevant. He is concerned not only with the exchange rate, but with confidence in the US financial system. Recent court judgements, which seem to have opened the door for all kinds of unregulated enterprises to enter the financial services market, could lead to a financial nightmare. Congress is asked urgently to bring US banking regulation up to date — and, of course, to maintain its apparent determination to attack the US deficit.

If Congress plays its allotted part, then US pressure will turn to its trading partners. We will hear much of the US wish for international monetary reform, and—if there is any disappointment over world growth — of the responsibilities of other countries to take the lead in stimulating demand. Meanwhile, Federal Reserve policy will probably be seen to err on the sde of caution. If Congress fails to rise to the two challenges put to it, leaves banking regulation in a mess and adopts purely window-dressing measures against the deficit, then it will take something stronger than a cautious policy to head off real trouble.

Growing pains of innovation

THE Organisation for Economic Co-operation and Development in Paris is breaking new ground with a series of studies of industrial innovation policies in member countries. The first such report to be published comes from a small group of distinguished figures in public and corporate life who have studied the situation in France. But their analysis and proposals have a much wider application, especially for Europe with its signal difficulties in digesting high technology.

Many mistakes could have been avoided in a long list of countries if greater regard had been paid to a basic principle repeatedly stated in the report: that devising new technologies is less important than ensuring that they are diffused and sensibly applied. To overstate the argument: a profitable factory producing low technology goods using high technology methods or components is at all times preferable to a hastily run-up plant making losses with commodity microchips (such as exist in some European states).

There is an obvious moral in the case of the Swiss watch industry which devised the electronic watch, nearly went bankrupt by not exploiting it, and then made a comeback with an electronic watch produced by methods of automation ahead of the competition in the Far East.

National champion

If application of high technologies is what matters most, then it follows that, apart from security of supply, there is no convincing argument for national self-sufficiency. In western Europe the security argument can be answered by doing some things on a Community scale or in association with the Efta states. But the need for flexibility in keeping pace with the advances of technology demands great latitude to find the right industrial partners wherever they can be found.

Flexibility requires scope for a process of decision-making from the bottom up rather than top down as the OECD team calls it. That implies less political centralism and doubts about the choice, by governments, of a concern to be the "national champion." The existence of such champions and potential champions with their hold on available resources has often proved a hindrance not to the birth of innovative businesses but to their development into larger, more robust entities. In the end the fleet matters more than the flagship.

Ivory tower

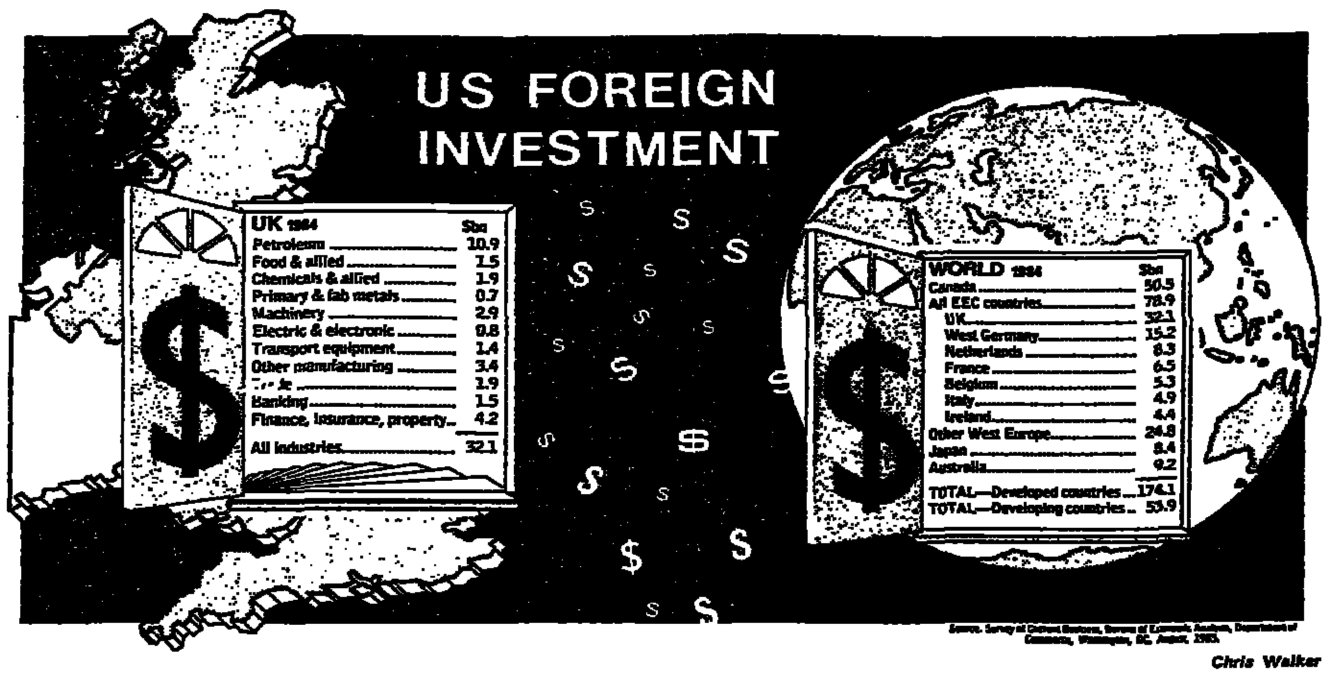
Beyond that, the emergence of new manufacturing methods permitting the application of automation even in producing small batches entails a rethinking of the entire concept of economies of scale and, hence, of the value of sheer size. That is not to deny that plenty of areas will remain where scale must remain a crucial consideration.

The headline point in the report from the OECD investigators was that they had criticised the vaunted system by which the intellectual pick of French youth is fashioned into a political and industrial elite at the *grands ecoles*. But not only the French form such castes. Other countries, too, have a need to break down exclusiveness and mutual suspicion between the academic world and the world of business.

To take a tiny example: the West German academic establishment in West Berlin has unbent a little and come from its traditional ivory tower. In part because of this, the city has undergone an economic revival against all the odds. Many new enterprises have sprung up along the line where pure research and the application of electronic techniques meet.

Taken separately, the application of each one of those principles — flexibility, evolution, openness and the reformation of intellectual elites — may be of limited scope, however needed. Taken together they come close to demanding a social revolution.

Nobody need be surprised. The world has undergone more than one technological revolution. At the end of the Middle Ages the diffusion of printed matter and the adoption of firearms coincided with the end of feudalism. Three centuries ago steam and steel supported the rise of the bourgeoisie. In each case those who facilitated rather than hindered change travelled farthest.



Chris Walker

US MULTINATIONALS

Exploding the myth of Great Britain Inc

By Ian Rodger

THAT old bugaboo about domination by huge US industrial corporations has suddenly re-emerged in Britain with the Westland affair and the prospect of sales of parts of BL to Ford and General Motors.

In recent weeks MPs have seemed to vie to find the most inflammatory phrases to arouse this fear. Mr John Smith, Labour's Trade and Industry spokesman, said it was not the time for "surrender and capitulation." Mr Edward Heath, the former Prime Minister, said he could not support a proposal "to sell up the remains of the British motor car industry to American firms."

US direct investment in the UK has long been very large and visible. Today it stands at more than $32bn, according to US statistics, more than in any other country except Canada. Dozens of US companies are household names — Ford, for example, has been prominent in the UK motor industry for 75 years.

There have long been anxieties, especially on the left of the political spectrum, about the effect on national sovereignty of transferring decision-making power to the "boardrooms of Detroit."

These anxieties were probably exacerbated by alarmist tracts in the 1960s, such as Jean-Jacques Servan-Schreiber's *Le Defi Americain* and John Kenneth Galbraith's *The New Industrial State*, posting the domination of many key world markets by a few US multinational companies. Both these analysts have been proved badly wrong. In high-technology industries, US companies have been strongly challenged by the Japanese, while in others, attempts by multinationals to organise worldwide production and distribution systems — like Massey-Ferguson in farm equipment and construction machinery — have come badly unstuck.

But there have been more substantial questions about the long-term effects of a high level of foreign ownership. Would it stifle indigenous entrepreneurship or lower the general level of technology in a country? Might it curtail local political control? Some people have suggested that too much direct foreign investment will lead to the creation of a branch-plant economy in the UK.

So far, there is little evidence to suggest that any of these debilitating trends has become established in the UK. Many US companies have been, and remain, among the country's best corporate citizens, with strong records in exports, research and development and employment practices.

The challenge today, in the view of the Government and some analysts, is not to discourage US or any other form of inward investment in the UK, but to prevent a deterioration of the quantity and quality of investments being made.

The statistics of US direct investment in Britain are impressive. According to the US Department of Commerce, its total value was $32.11bn at the end of 1984. That was nearly 14 per cent of all US direct investment abroad and 41 per of that in European Community countries.

Manufacturing industries have long formed the core of the US presence in Britain, accounting for 40 per cent of the total investment. The main concentrations are in the automotive sector (Ford, General Motors), engineering (J. I. Case, Cummins Engine, Cincinnati Milacron, Caterpillar Tractor), chemical (Monsanto, Esso Chemical), electronic (IBM, Honeywell) and food (H. J. Heinz, Kellog). According to one estimate, 12 per cent of those employed in manufacturing in the UK work for US companies.

In recent years, however, the North Sea oil and financial sectors have become important. A third of all US direct investment is in the petroleum industry and another 18 per cent is in banking, insurance, property and other financial services.

While there are no comprehensive statistics on the significance of US investors in various sectors, the broad outlines are clear. US companies account for a large share of the £45bn invested to date in the North Sea, represent about 47 per cent of production from the UK sector, and control more than a third of the oil products market. Ford and GM have 43 per cent of the car market and North American-owned companies supply 45 per cent of the farm tractors sold in the country. IBM dominates most sectors of the computer market, Heinz has over 50 per cent of canned soups and Kellogg 43 per cent of the dry breakfast cereal market.

However, the US position should be seen in context. The value of all investments by US companies in UK manufacturing sectors was $12.6bn at the end of 1984. That is less than two years' capital spending in UK manufacturing as a whole.

As for quality, the indications are that US-owned companies export a greater proportion of their output than the average British manufacturer (although many also import a lot of intermediate goods from related plants). They also spend more on research and development and capital equipment in the UK than the average, and seem to have fewer industrial relations problems than the average UK manufacturer.

The paragon of foreign investors, according to these yardsticks, is probably IBM, whose British operations have just reported the results of another spectacular year. The company's turnover surged from £2.35bn to £3.04bn in 1985. Two thirds of this revenue came from export sales, making IBM Britain's seventh largest exporter.

IBM UK has also been a major investor in plant and machinery. It is a large and growing employer. Its total workforce rose by 1,292 to 18,798 last year. Its creation of more than 9,000 net new jobs in the past decade is probably unmatched in British manufacturing industry. ICL, whose British ownership successive governments have been keen to maintain, has seen its labour force fall from 34,000 worldwide in 1979 to about 21,000 today.

Ford, which has been much maligned in recent days, also has a strong record of investment. The £1.6bn it has invested in the UK in the past seven years is about equal to that spent by the state-owned BL, for example.

There have, of course, been failures. Chrysler's purchase of Rootes, the smallest of the British car companies, is one example; another is Litton Industries' purchase of Imperial Typewriters—the company was later closed down and production shifted to Germany. But it is doubtful whether those companies would have fared better under British ownership.

Probably the worst experiences to result from US direct foreign investment concern the occasional extra-territorial applications of US laws. In late 1984, for example, there was a row over US documentation requirements being applied to exports of IBM computer equipment from the UK. In 1983, John Brown Engineering and other companies supplying goods based on US technology for the Russian gas pipeline ran foul of the US embargo on such sales.

As to fears that US takeovers might lead to a decline in technological efforts in the UK, it is true that in the past some US companies produced lower technology products in their UK subsidiaries than they were making in the US. But intensified international competition makes this difficult in most sectors today.

An important exception to these trends is the offshore oil exploration industry, and the UK Government has been dismayed by the tendency of US operators to maintain their technological reliance on Houston. Official figures show that nearly 80 per cent of North Sea supply contracts go to British-based companies. But a recent survey showed that in two major projects not much more than one third of the business was won by British-owned concern. A series of increasingly stringent guidelines has been applied to North Sea operators to try to improve the situation. The latest move—exemplified by last week's announcement that Bechtel's UK subsidiary is forming a joint venture with Laing Construction—is to require big US engineering contractors in this sector, to take on UK partners.

However, the fact that US companies have rushed to snap up small, innovative UK companies in such high technology sectors as computer-aided design would suggest that the country's strong R&D tradition has not been hurt by the large US presence in many sectors.

Some people regret that the large US investment presence in Britain has brought with it what they see as vulgar US culture, the phenomenon of Coca-colonisation. But US companies often bring over more admirable cultural traits too. Ford, for example, has effectively proved to be a useful training ground for large numbers of British managers.

Whatever the merits of US direct investment, the UK is no longer the preferred location as it was in the first half of the century. In 1961, the UK had 58 per cent of all US direct foreign investment in manufacturing industries in what are now the EEC countries. By 1984, this had dropped to 32 per cent.

The shift was particularly pronounced in the motor industry after the UK joined the EEC in 1973. The US-owned car makers seized on the opportunity to integrate their production of cars and components on a Europe-wide basis.

Indeed, while Ford was prepared to have all Granadas and Capris made in West Germany, it made sure there was a second European source for every model made in the UK. Within a short time, the UK plants of Ford and GM were no longer able to supply even the home market, and they increasingly imported cars from plants elsewhere in Europe. Between 1973 and 1984, the share of these so-called tied imports rose from nil to 21 per cent of the UK market.

With the great improvement in UK productivity in the 1980s, Ford and GM may begin to restore the balance in their UK activities. Ford has been much more expansive than GM, making big investments in the new Transit van line at Southampton and the diesel engine line at Dagenham. Other projects worth about £300m are in the pipeline. GM, however, is still under pressure to build more cars and buy more components in Britain.

Evidence from other industries, too, suggests that the UK has halted and perhaps begun to reverse the decline in its share of US direct investment in Europe. In particular, the build-up of investment in the North Sea and, more recently, in the City of London, has offset the relative decline in manufacturing.

One worrying trend in US direct investment is that companies are tending to invest more by way of acquisitions than greenfield projects. Acquired UK companies tend, initially at least, to be less orientated to exports than a new plant might be.

Another concern is that investors may be less committed to acquisitions than to their own greenfield plants. This may be particularly true in the computing equipment and other high technology industries where product cycles are short and key workers highly mobile.

Professor Neil Hood, professor of business policy at Strathclyde Business School and and expert on direct foreign investment, says: "I am far more suspicious about the kind of investment coming in now than anything we have seen since the 1950s. Obviously, we cannot tell these people to go away, but we must try to get more spin-offs from them."

The issue of direct foreign investment is not an easy one, but it does not seem in any way to justify the highly emotional responses that US direct foreign investment still arouses in many quarters.

There is perhaps a sense in which British based companies, with their principal research centres and their senior management located in Britain, are more committed to the UK than foreign owned concerns. What is needed is a balance, but one that does not shift too far in the direction of foreign ownership.

The situation in the UK, even if the latest deals go through, is still a long way from one that could even remotely be regarded as colonisation. Indeed, few significant economic developments of the postwar period can have had so many beneficial effects and so few bad ones.

Men and Matters

Whitehall's dinner service

Signs that Whitehall life is not all spending cuts and snatched sandwiches have come with the award of substantial increases —quite unsolicited by the trade unions—in allowances for evening dress.

For the occasional function, a civil servant needing to slip out to Moss Bros to hire a dinner jacket will in future be able to claim back up to £20 of the cost — a 33 per cent rise on the previous maximum allowance.

For the regular diner, outright purchase of evening wear has also been made more worthwhile: the ceiling for reimbursement of expenditure rises 66 per cent from £45 to £75.

Certain staff "required to maintain an exceptionally high standard of appearance" will receive an annual allowance of up to £315 gross, compared to the figure fixed in 1980 of £200 net of tax. This, the Treasury emphasises, applies only to hospitality officials of the Foreign Office, British Council, Scottish Office (kilts optional, I presume) and Central Office of Information.

The chaps in the diplomatic service, hardly ever out of a decent cummerbund, have separate arrangements, it seems.

The big catch to all this is that most civil servants of principal grade and above are ineligible for the allowances, being expected no doubt to have acquired their own DJ by the time they arrive at such exalted levels.

Burned out

A Russian contract, a spy scandal and, more prosaically, the impact of a wet summer on garden barbecues, all played their part in the demise of Biofuels, a supplier of pressed wood logs which has gone into liquidation with debts of more than £600,000.

Biofuels was launched in November 1984 by Hill Woolgar, an issuing house, (now renamed Fredericks Place Group) under the business expansion scheme. Soon after starting operations it was forced to find alternative sources of pressed logs while it replaced machinery at its Dumfries factory.

Supplies were contracted from Ireland and Russia. But sterling fell against the punt making Irish imports too expensive. The Russians, meanwhile, failed to deliver.

Biofuels' directors, who included Robert Robertson, the former chairman of Robertson's Foods, and David Foden, a former director of the truck maker, suspected the Russians were unwilling to supply because of the British miners' strike.

Biofuels' problems were not helped by the disappearance halfway through talks with the Soviets of the Russian negotiator. That coincided with the expulsion from Britain last year of a number of Soviet officials.

With debts mounting, Biofuels' directors decided to call it a day. Stephen Swaden of the insolvency specialists Leonard Curtis this week has been appointed liquidator by the company's creditors.

Time to spare

Dr Dieter Kirchner, head of the West German metal industry employers, has an answer to the problem that is bothering many people in Britain during Industry Year — how to make industry more attractive to potential recruits.

Increasingly, he reckons, people want a more liberal regime governing working time with, for instance, the chance to take a day off in the week in addition to the standard weekend.

In West Germany, many engineering companies have met this demand — and increased their productivity at the same time. Employers have responded to the push by West German unions for cuts in working time by reorganising their working week and improving labour flexibility.

"Here's a job—Why not make selling your career?—join the Department of Trade and Industry"

Kirchner, in London for the biennial dinner of the Engineering Employers' Federation, says that many West German companies have, as a result, given their workers eight extra days off each year on top of the six weeks' holiday they already enjoy, and still managed to cut costs.

In other ways, however, Kirchner fears that West Germany is learning some bad, old habits from the British. West German unions, he says are becoming more militant and less representative.

Next week, the unions plan to hold two demonstrations in working time in protest against the law going through parliament which is designed to make strikes more difficult.

Growing guide

A passion for consumer affairs, it seems, runs strong in the Oppenheim family.

Phillip Oppenheim, the youthful MP for Amber Valley in Derbyshire, and son of former consumer affairs minister Sally Oppenheimer-Barnes, needs £400,000 for his magazine, What to Buy for Business. Designed as a sort of consumers' guide to business equipment—his staff try out 100 different kinds of paper shredders in the latest issue—the publication yesterday announced that it is raising capital under the Business Expansion Scheme.

What to Buy pulled in £165,000 under the Business Start-Up Scheme three years ago, and has come back for more to fund a US edition and the possible launch of a consumer report for farmers.

Oppenheim spends about half of his time with the business, with day-to-day responsibility in the hands of managing director, John Derrick. The duo met while studying at Oxford University, where they started a part-time business, publishing an Arabic guide book to London.

Then followed a period while Derrick worked for merchant bank Morgan Grenfell, and Oppenheim took up farming in Gloucestershire. Re-united two years after leaving university in 1980, the pair managed to put together £130,000. The company turned over nearly £600,000 last year—and yesterday's share offering now values their holdings at just over £500,000 each.

Cheque mate

This from a letter written by the Royal Bank of Scotland to a shop which submitted a cheque cashed with a cheque card:

"Having examined the photocopy cheque, it is apparent that the signature is totally dissimilar to our customer's genuine signature as shown on the cheque card you were offered.

"You explained that the signature was poor because the man had just been involved in a motor accident and was, therefore, a little shaky. I cannot understand how you accepted the item at all, as the cheque card and cheque clearly belong to a lady!"

Observer

ECONOMIC VIEWPOINT

Taking tips from Germany

By Samuel Brittan

FOR YEARS the German Government has been castigated by many experts, including Germans, for the stringency of its fiscal policies.

In the years 1982 to 1985 inclusive, the German structural budget deficit, as measured by the OECD, shrank by 3 to 3½ percentage points of GNP. Even the unadjusted deficit has fallen by nearly 2½ percentage points and will be running in 1986 at less than 1 per cent of GNP.

Nor did the behaviour of inflation suggest that stringency was required. German inflation was already down to 3.3 per cent in 1983. In the latest 12 month period it has been down to 1.8 per cent; and in the last six months it has been between 0 and ½ per cent annualised.

No wonder then that many people who were far from being rabid demand expansionists believed that financial stringency had been overdone with harmful effects for both Germany and the rest of the world.

Yet Dr Gerhard Stoltenberg, the German Finance Minister, ignored the advice so liberally showered upon him. He even refused to bring forward the tax cuts planned for 1986 and for 1988, on the basis of holding down public expenditure.

Yet somehow the German economy has come through. Despite the "perversity" of fiscal policy, German output was gathering momentum throughout 1985. Most end-year forecasts showed real growth for 1986 at 3 per cent to 3½ per cent. Now has come the oil price plunge from which Germany, along with Japan, will be a major beneficiary. As a result even the cautious Bundesbank is now contemplating a 4 per cent growth rate. This, together with near-zero inflation, is not a bad prospect.

None of this means that Germany has finally overcome Eurosclerosis. An unemployment rate of 9 per cent—even if slightly falling—is far too high for a country which until a few years ago had such severe labour shortages that it was importing guest workers from southern and south-eastern Europe.

Although German wage settlements have been low overall, the labour market has its share of "rigidities." Collective bargaining agreements are generalised across whole industries, even to small and non-participating firms. German industrialists complain of the high costs of redundancy compensation, which they try to avoid by labour-saving policies.

Yet when all is said and done, the German economy still stands high in any European league: so much so that some observers speak of a "third German economic miracle." (The first was after World War Two; the second after the 1973 oil price shock.)

Reflection on this experience has taken me back to some remarks made by that very independent-minded German financial commentator Dr K. Richenbacher, at a Laurie, Milbank seminar in London on November 28.

German Ministers, Richenbacher remarks, "instead of embarking on spectacular tax cuts, chipped away in unspectacular fashion at public spending. Few people, especially economists, saw merit in this approach, particularly against the background of weak overall demand and growth. As for other OECD governments, they were outraged at Germany's stubborn refusal to play the role of locomotive for Europe and the rest of the world."

The German economic recovery was triggered by export growth, helped by the high dollar and weak D-mark. But the low rate of increase of German unit costs—due more to wage moderation than high productivity—enabled German business to take advantage of international opportunities. As a result of soaring business profits, domestic investment has now taken over as a locomotive—not consumption as in the US and UK.

Germany has achieved low real interest rates through tight budgeting and a large current payments surplus, which means that the Bundesbank more often needs to discourage than to encourage financial flows into the country.

The German payments surplus has often been criticised internationally; but like its even larger Japanese counterpart, it represents a source of investment capital available for developing countries if only there were enough creditworthy borrowers.

Dr Richenbacher blames double digit nominal interest rates in the UK not so much on money supply growth in the narrow sense as on "credit inflation" running well ahead of available savings.

"By far the greatest part of the credit flows," he remarks, "serves to finance other purposes: the budget deficit, a consumer boom which sucks in imports, and financial transactions of many different kinds. The common denominator of most of these credits is that they do little or nothing for GNP growth. There is the same phenomenon in the US. Debt creation outpaces GNP growth as never before."

Dr Richenbacher, not quite fairly, accuses "Anglo Saxon" economists of under-playing the role of high interest rates in depressing investment. They are not merely a cost which rises with the length of life of an investment, thereby putting a premium on a quick return.

High interest rates also depress the market value placed by the stock market on existing assets, relative to replacement value, and thus depress investment and encourage firms to put spare financial resources into takeovers instead.

The general issue is not cut and dried either. New investment helps jobs only if it extends productive capacity and not if it simply substitutes capital for labour. It is for such reasons that Professor Herbert Giersch of Kiel has played down low interest rates in favour of tax cuts.

There is nevertheless a good deal of evidence that European output is much nearer the limits of effective capacity than the unemployment figures would suggest. A widening of the capital base is thus one precondition for an employment recovery, even if low labour costs are more important still—as Giersch, Richenbacher and everyone else, except unions and employers, would agree.

Dr Richenbacher's main recipe for reducing UK interest rates is the stimulation of savings and tight government budgets.

The obvious difficulty in applying his prescription is the precipitate decline in oil prices and revenues. He himself recognises some need for an interest rate premium in favour of London to protect sterling from the oil factor.

This very fact makes it tempting for the Chancellor to relax fiscal policy to offset high interest rates. Moreover, even within a strict fiscal philosophy, there would be a case for adjusting gradually to a once-for-all in oil revenues.

The snag is that the £7½bn PSBR for 1986-87 originally laid down a year ago already provides for as much relaxation or smoothing as can be risked. Asset sales in 1986-87 are expected to yield £2.1bn more than in the current year and £2.7bn more than in 1984-1985, thus making the PSBR look tighter than it is.

A possible moral of the German story is that British policy should concentrate on getting real interest rates down as far and as fast as can be done without triggering an inflation-inducing fall in sterling; *and that this should have priority over tax cuts, even in the longer run.* Lower British interest rates will be easier to achieve once the oil price has fallen as far as it looks likely to do.

There are two other preconditions for lower British interest rates. The first is to make it clear that whatever short-term adjustments are needed in the British policy mix, there will be no long-term indulgence in Reagan-type budget deficits.

In retrospect the Chancellor was right not to publish the autumn "fiscal adjustment" which has triggered so much tax cut speculation in the past. But this good was undone by incautious Ministerial speeches and lobby briefings. Even if the Chancellor cannot silence Mr Bernard Ingham, he could at least ensure that his *own* post-Budget briefings are on the record.

A second precondition for low interest rates is some assurance of greater stability of sterling against EEC currencies after the present oil shock. It is extremely difficult to believe that British short-term nominal interest rates could remain for long periods 8 per cent above German ones if sterling were linked to the Deutsche Mark via the EMS.

This is too important a matter to be settled by off-the-cuff reactions by Mrs Thatcher, and it is time for collective Cabinet responsibility to be exercised in a good cause, rather than in a bad one.

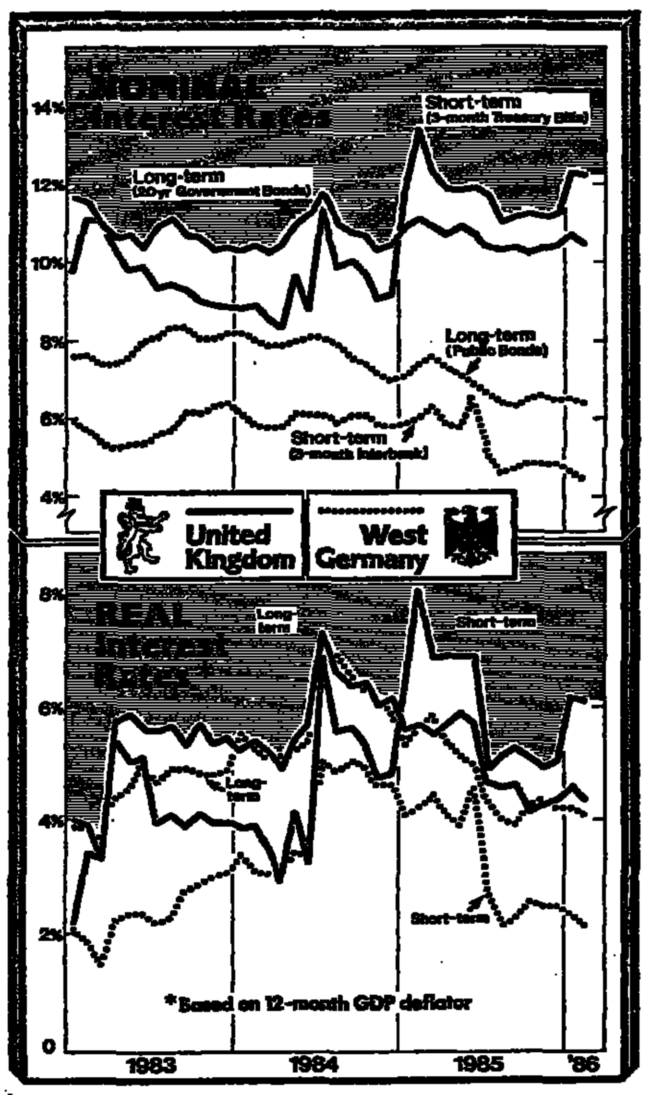
Action is, however, required not merely in London but in Frankfurt too.

There is now sufficient slack in the German economy for it to afford a temporary period of well above 4 per cent growth, as the US experienced in 1983-84, to the general benefit.

While the dollar was riding high, one could not responsibly press the Bundesbank to cut interest rates further, as it would worsen the international balance.

Now that — despite the words of Mr James Baker, the US Treasury Secretary—the dollar has fallen spectacularly and quite enough for the US good, the case for still lower German nominal interest rates is overwhelming.

In contrast to the scorned budgetary stimulus, a stimulus via lower interest rates is fully in keeping with German traditions, thinking and — dare I say — prejudices. By all means, Governor Poehl, lecture us overspending, credit-happy Americans and Brits on fiscal rectitude. But give a hand with a discount rate cut yourself.



Lombard

Who put the crisis in debt?

By Anatole Kaletsky

AS MEXICO has moved almost daily towards the brink of default I have disappointed many of my fellow Jeremiahs by refusing to predict an impending economic disaster. In fact, far from foreseeing an immediate financial cataclysm, I have suggested, to the chagrin of some of my journalistic colleagues, that a default by Mexico, Brazil or other major debtor, would leave the world banking system broadly intact.

In terms of journalistic sex appeal, this is obviously an unsatisfactory attitude. Everyone knows by now that the major Western banks have lent developing countries sums equivalent to almost double their shareholders' capital. It *is* easy—and exciting—to persuade the public that a default by Mexico or Brazil which could well be followed by Argentina, Nigeria and other Third World countries, would break every one of these institutions.

Still, it seems a bit surprising, even accepting the journalist's natural preference for sensation over calm reflection, that so very little has been heard about the other side's point of view. Why have the banks not spoken up for themselves, explaining that their capital structures are really much more robust than is commonly suggested?

Firstly, a default is most unlikely to take the form of a total repudiation of all debts. The defaulting country would unilaterally scale down its current interest payments; but it would probably promise that larger payments would be restored in the future, as its economic fortunes improved.

Secondly, the banks would certainly not write off the *whole* of their exposures to the defaulting country in question. Depending on the circumstances, they might not need to write off any of the debt at all. The immediate impact of a partial or conciliatory default would be felt on the banks' earnings, not their capital. And the revenues from Third World loans loom far less large in relation to the banks' total revenues from all their assets than the horrendous debt to capital ratios suggest.

To take a concrete example, suppose that Mexico were to reduce its interest payments by about one-third to 6 per cent of debt outstanding, as some ministers there have recently suggested. What would this mean to a bank like Lloyds, which is among the institutions most heavily exposed in relation to its size? Lloyds' loans to Mexico are worth about £1bn at current exchange rates. Thus Lloyds' immediate reduction in earnings would be around £30m a year—just 5 per cent of Lloyds' 1985 profits, forecast by de Zoete & Bevan, the stockbrokers, at £570m.

Obviously a more precise calculation would need to provide for further costs to strengthen capital ratios and to allow for some gradual debt write-offs. On the other hand, the situation might turn out better if Mexico rolled forward some of its interest payments, through capitalisation, instead of simply refusing to make them.

Either way, the central conclusion remains valid: most, if not all, of the international banks are now strong enough to withstand substantial losses on their Third World lending.

Why then, are bankers not shouting this from the rooftops? Perhaps their publicity machines are too ineffectual to overcome sensational journalism. But there may be a more Machiavellian argument.

Imagine you are the chairman of US Megabancshares. You have gone to the White House to persuade the President to bail out Mexico—and to threaten the Mexicans with *diplomatic retaliation if they default.* You tell the President that a Mexican default will lead to the collapse of numerous US banks, a new depression and the destruction of the international financial system. He is impressed and acts accordingly. Alternatively, you tell the President that a default by Mexico will reduce your reported earnings by 20 per cent for the next 10 years, could force you to cut your dividend and might even lose you your job at Megabanc....

Maybe it was not, after all, the journalists who put the "crisis" into Third World debt.

Letters to the Editor

Public sector architects

From the president, Royal Institute of British Architects

Sir,—In his article (February 10) entitled "Private practices are pointing the way," Colin Amery, in praising the work of smaller private offices, gives a misleading picture of the role of architects in public authorities.

His suggestion that the local authority architect has become a "rare species" is not borne out by the Riba survey on the composition of the profession which shows that 23 per cent of full-time architects are employed by local authorities and 35.3 per cent by the public sector as a whole. They still have a very important job to do and the Riba/DoE/NHBC Housing Design Awards won in 1985 by local authority architects showed that excellence is not confined to private consultants.

The decision announced three weeks ago by Sir Keith Joseph to upgrade the post of Chief Architect at the Department of Education and Science following an efficiency scrutiny of his architects and building group is a further indication that the role of architects, not only in the design of new buildings, but also in making the estate of publicly owned land and buildings work more economically and efficiently, is now better understood by government.

L. A. L. Rolland.
66, Portland Place, W1.

Voluntary export restraints

From the Secretary, British Footwear Manufacturers' Federation

Sir,—Mr Greenaway's letter (February 12) on the effects of voluntary export restraint agreements on Korean footwear import prices seriously misrepresents our position. There is no sound evidence that these agreements have affected price levels. But that does not mean that the VERs are not restrictive. His theory postulates that restraints will lead to an increase in export prices. But theories are not always borne out by experience.

Mr Wolf (February 13) cites a number of countries whose economies are both protected and weak. But the protection is a symptom, not a cause: surely not even he is arguing that these countries will find salvation by opening their markets to all comers.

There is no denying the potency of theoretical arguments in favour of free trade in a world of perfectly operating markets. The difficulty is that in practice we are nowhere near this state of affairs. In the UK 3.3m unemployed are an acute reminder of the rigidities of the labour market even after seven years of the most market-minded government in recent history. Sadly, the evidence is that sacrificing jobs by unilaterally dismantling trade restraints which protect labour intensive industries will in practice simply add to the total of unemployed. This is especially so when barriers erected by other countries against our own exports are so widespread. That is the reality that those working in such industries—as well as policy makers—have to face up to and which Mr Wolf and other free trade theoreticians do not.

W. N. S. Calvert.
72, Dean St, W1.

Better Ford than Honda

From Mr P. Uden

Sir,—Sensitivity to an American full-frontal takeover of Austin Rover ignores its absorption-by-stealth presently under way by the Japanese.

It is quite likely that there will never be another all-British family car from Austin Rover, instead just Honda's albeit excellent derivatives tarted-up for home-market tastes.

At the present rate of absorption it will not be possible for Austin Rover to survive after about five years without the high technology of Honda, and at that point the fears of our European partners will have come to pass in the shape of a Japanese company disguised as a European manufacturer.

Whether this will be good or bad for jobs in the Midlands we will have to wait and see, but it is certainly bad for the industrial *infrastructure* of the British engineering industry as a whole, to say nothing of its morale.

A takeover of Austin Rover by Ford which has a distinguished record of placing its design and engineering requirements and expertise in Britain and Europe might then, with hindsight, have seemed more appropriate to our basic industrial needs.

Patrick Uden.
8, Kendal Steps, W2.

Oil price effect on the OECD

From Professor G. W. Maynard

Sir,—It seems extraordinary that Lord Kaldor (February 13) continues to maintain that OECD countries apart from the UK did not suffer from economic recession following the oil price rise in 1979-80. He is able to do so by focusing attention on the period second quarter 1979 to second quarter 1981, thereby obscuring the fact that most other countries followed the UK into recession with varying time lags.

By the end of 1982 OECD industrial production was about 6 per cent below its level in mid-1979, all major countries apart from Japan contributing to the decline.

Geoffrey Maynard
Chase Manhattan Bank,
3, Shortlands, W6.

Mini-name cards

From Mr M. A. Smallman

Sir, — It is well-known that the Japanese are masters of miniaturisation but even they would have problems reading a name card which was 9 mm by 5.5 mm. (A UK bridge with Japan, FT Management page, February 17).

I do not have a copy of the Japanese Standard for name cards but all cards I have received measure 91 mm by 55 mm.

M. A. Smallman.
Kobe Steel Europe,
73 High Holborn, WC1.

UK firms that cry out for foreign ownership

From Prof A Kennaway

Sir,—Who is the best buyer of state-owned firms?

The question should be answered in terms of best for whom? The only acceptable answer must be "best for the future of the firm" rather than to raise the maximum sum for the State. In recent takeover battles, whether for Westland or for other private firms, far too little has been said about the business advantages and disadvantages of every practical option and therefore we cannot properly have a considered opinion on the right course. The business logic is missing from the debate.

One thing, however, must be clear, that ownership by a "British" governing group of shareholders is NOT the paramount consideration. Such "jingoistic" emotion is best served by ensuring the health of the firm, its ability to develop in home and overseas markets. It may be necessary for some firms to have an injection of new top management in order to achieve this state. The performance of BL may well have decided the Government that such is the case with them. Much was done in recent years. A courageous decision was taken in the deal with Honda, by which the BL management accepted that it had not had enough good investment in market appreciation and product design which it now imported from Japan.

New ownership must bring worthwhile attributes to the company acquired. These attributes may lie in many directions: more imaginative leadership, better market appreciation, better design and research and development, better manufacturing systems and finally perhaps an acceptance of longer pay-back periods for investment. British firms are constrained by high rates of interest and an unreasonable and greedy demand from the City and its analysts for short-term profits. Were some of ailing and key companies to become foreign owned then they might be able to make the right investments in skilled and educated work force, become "engineer-rich," invest in new products and processes and satisfy the far more modest financial requirements, say of Japanese investors and banks.

There is considerable evidence to show that British workmen, engineers and managers respond extremely well to enlightened and competent top management, of whatever nationality. They should be given the chance to respond and to learn how to manage a company themselves.

Realism should induce humility; there are cases which cry out for foreign ownership. We should not object to becoming "colonised" by superior direction. There is no reason for that situation to become permanent. One could envisage several scenarios whereby natives could in due time take back the top direction and ownership. One could be for an agreement for a management buy-out when it was achieving acceptable performance. Another could be by political *force majeure.* This Conservative administration should encourage such purchases by competent foreign organisations; we are educating enough bright engineers to become skilled enough to take over the direction of our manufacturing industries in the next 10 to 15 years. Even if there were to be an interregnum of a jingoistic nationalising government for say five years with our people in charge, the next Conservative Government could restore the firms to private ownership. By then our people would have become fully competent and we would have, yet again, a genuine native industry capable of competing successfully in world markets. All provided, of course that the City has learned its lessons too!

A. Kennaway.
12 Fairholme Crescent,
Ashtead, Surrey.

FINANCIAL TIMES
Thursday February 20 1986

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Carla Rapoport in Tokyo finds exporters willing to trim profits rather than lose sales

Facing the challenge of a strong yen

JAPAN'S top 20 exporters do not envisage a marked increase in the price of their goods in overseas markets to offset the yen's recent appreciation against the dollar and sterling. They intend, instead, to suffer slimmer profit margins rather than risk lower sales.

In a Financial Times survey of the exporters, most companies said that the most recent bout of yen appreciation is expected to cause heavy foreign exchange losses and, for most, a marked decline in earnings. While the yen has appreciated by about 25 per cent against the dollar and sterling since September, price rises will not be of the same order.

Instead, companies are working on a variety of longer-term strategies. These include expanding their presence in less-developed export markets such as China and the Soviet Union, boosting sales at home through product innovation and increased marketing efforts and cutting production costs by a series of measures ranging from forcing subcontractors to accept lower prices to increasing the use of factory automation techniques.

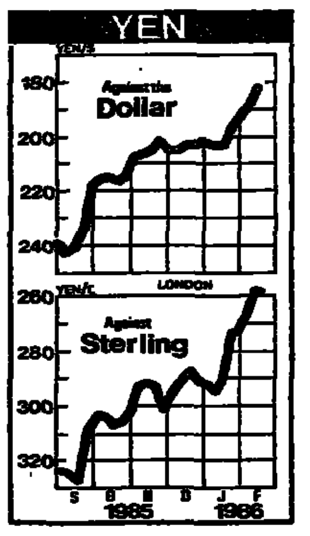
An official at Mazda said: "We are thinking of a variety of actions to manage this tough situation, including the difficult prospect of a reduction of our margins."

A number of companies, including Fujitsu, Ricoh, Nippon Steel and Hitachi, have already announced revisions in their profit estimates for the current year. Hitachi said yesterday that its pre-tax profits will drop by 34 per cent in the year ended this March, on sales down just 3 per cent. Nippon Steel expects its operating profits in the six months ending this March will drop close to zero as a result of stagnant domestic demand and the stronger yen.

Many of the companies surveyed are putting up export prices, but gradually and usually with an eye on their competitors. In January, for example, Matsushita Electric, Japan's largest consumer electronics company, raised prices of its exports by 3 to 10 per cent. At the end of this month, another price rise of around 5 per cent is planned, but Matsushita has not specified which products will be affected.

Japanese video tape recorders (VTR) – one of Matsushita's largest exports – are facing a slow-down in demand. Last year, prices of VTRs in the US slid by 25 per cent. This year, prices are expected to hold firm because of the yen's strength, but not go up because of intense competition in the market.

"On the whole, large exporters are going to see a slash in their overall export profit margins," says Mr Charles Elliot, director of research in Tokyo for Goldman Sachs of the US. "They will take a large part of the yen's appreciation on the nose," he said.



Despite the squeeze on profits, however, not a single respondent said that spending on research and development would be cut. R&D spending, in fact, has become more important to Japan's largest exporters.

"In the medium to long run, Komatsu needs to develop products on which it can raise prices," said Mr Noki Nakajima, an executive at Komatsu, Japan's leading construction machinery maker. As a result, Komatsu is diversifying into sophisticated factory automation equipment and robotics. The major steel companies are also hard at work on diversifying their product mix. "The steel industry wants to raise prices, but the market won't allow it," said Mr Shogo Saeki of Kobe Steel.

For the electronic companies, price increases will be attempted on new, innovative products. But these products will also be aimed at getting more mileage out of the domestic market. Sharp, for example, has hopes for its sophisticated home appliances, such as a microwave oven which can store recipes in its memory or a VTR which can be programmed to record with pre-set cards rather than by hand. Sharp and others are also aiming to step up marketing efforts in less-developed markets, such as China, the Soviet Union and others.

Nissan intends to expand its business in such diverse areas as aerospace and textile machinery. As Nissan has already raised export prices of its cars by 4 per cent, it is reluctant to increase them further before its competitors make a similar move. In the meantime, Nissan says it cannot accept a reduction in margins so it is asking the "co-operation of related companies."

This means that the scores of Nissan subcontractors will be under heavy pressure to cut their prices. This kind of request is being duplicated across Japan by so many large companies that senior politicians and bureaucrats have been calling for the establishment of new aid programmes for Japan's small and medium-sized enterprises.

A further strategy being examined by Japan's major exporters is increasing production overseas. The major motor manufacturers are all embarked on overseas production plants, as are many of the large electronics companies. Sumitomo Rubber, which acquired Dunlop's European plants a few years ago, is planning nearly to double its exports of tyres from Europe to the US this year to minimise the effects of the stronger yen.

As for the ameliorating effects of cheaper imports, few companies were willing to admit to any benefits. Steel companies, for example, said that the benefits of cheaper energy would have to be passed on to customers.

US takes tougher line on EEC steel

By Christian Tyler, Trade Editor, in London

THE STEEL trade dispute between Europe and the US intensified yesterday when Washington announced a tightening of curbs on EEC exports.

The action was taken in reply to "unjustified, unnecessary and unfriendly retaliation" by Europe against earlier US restrictions, Mr Alan Woods, the Deputy US Trade Representative, said.

"We are particularly distressed that the EEC took this dispute beyond steel into other industry sectors," he said.

US controls over imports of semi-finished steel imports were imposed at the beginning of the year. A month ago the EEC announced retaliatory quotas on US exports of fertilisers, tallow and coated paper.

The US said yesterday that it was only protecting itself – as allowed by the original export-restraint agreement of 1982 – against a diversion of imports from bulk steel into semi-finished products. EEC exports to the US of semi-finished steel had risen from 3.9 per cent of "apparent" US consumption in 1982 to nearly 30 per cent two years later.

The measures announced yesterday mean that the EEC will be limited to a quota of 150,000 tons of semi-finished steel in each quarter, with no provision for carrying over unused allocations.

The US also said it would "strictly enforce" the terms of the original steel agreement, denying any EEC requests for flexibility.

Of the total annual quota of 600,000 tons, a third will continue to be allotted by the US Trade Representative's office to fulfill a contract between British Steel Corporation and Tuscaloosa Steel of Alabama. The remainder would be available to the nine EEC nations that were then party to the agreement, but not to the UK.

Within the overall quota, the tonnages will be changed to allow a greater proportion of imports of steel billets and blooms and a lesser amount of steel slab.

Mr Woods said the US had tried to explain the importance of preventing a diversion of imports into semi-finished steel.

He said the European Commission seemed not to understand and said yesterday's measures had been invoked "as a last resort, well after consultations were concluded."

Reagan seeks to ease anti-trust laws

BY NANCY DUNNE IN WASHINGTON

THE REAGAN Administration yesterday sent Congress five sweeping legislative proposals "modernising" US anti-trust laws to help American companies compete in global markets.

The proposals recommend the biggest change in US anti-trust law in 70 years. One bill, the Foreign Trade Anti-Trust Improvement Act of 1986, applies to foreign anti-trust cases and calls for the dismissal of suits exercising an "unreasonable" reach by American courts into foreign markets.

"American companies face a level of competition vastly different from when our anti-trust laws were passed," said Mr Malcolm Baldrige, Commerce Secretary. It was time, he said, to recognise that "competition today is across oceans, not just across state borders."

The proposed modifications of current law would codify the Administration's long-held belief that big is no longer bad – for industries or consumers – and it would force the courts to comply. Mr Edwin Meese, Attorney-General, said the proposals would be less protectionist than tariffs and quotas in combating the US trade deficit.

The five proposals, to be introduced in Congress by Senator Strom Thurmond, and Congressman Hamilton Fish Jr, both Republicans, deal with mergers, treble damages, interlocking directorates, extra-territoriality, and industries hard hit by import competition.

According to Mr Meese the Foreign Trade Bill would give the courts the guidance they need to determine whether the exercise of US anti-trust jurisdiction would be unreasonable.

"The Act also clarifies that courts are not to make the foreign policy determinations that are properly within the sphere of the executive branch, and directs them to make early rulings on jurisdictional motions in international commerce cases to avoid unnecessary expenditures of public and private resources," he said.

The other proposals include:
- The Merger Modernisation Act of 1986, which requires a distinction between pro-competitive mergers and mergers that create a significant probability of increasing prices to consumers. It defines the harm with which anti-trust mergers should be concerned;
- The Promoting Competition in Distressed Industries Act provides limited anti-trust relief for mergers and acquisitions in industries injured by imports. Mr Meese said the relief would be limited to a five-year exemption and that mergers which had a "substantial probability" of creating a monopoly would still be prohibited;
- The Anti-trust Remedies Improvement Act of 1986 which permits the recovery of treble damages in anti-competitive cases;
- The Interlocking Directorate Act of 1986 will remove "unwarranted and cumbersome restrictions" on permissible corporate directorships.

Land Rover buy-out planned

Continued from Page 1

panies – including Lonrho, the international trading group, and Aveling Barford, the privately-owned construction equipment producer.

The Andrews consortium has yet to raise finance. It needed permission from the BL board before taking any steps in this direction and this has only just been given.

The consortium would want to acquire Land Rover, the Freight Rover operations which make the Sherpa vans, and certain related businesses, possibly including the 40 per cent shareholding in Land Rover Santana of Spain.

Mr Andrews, 51, is one of the longest-serving BL executives and joined what was then British Leyland in 1969 as financial controller from Ford of Europe.

For some time he was Sir Michael Edwardes's vice-chairman and when BL split its operations into two divisions – cars and commercial vehicles – he took charge of the latter.

He is one of only two executive directors on the BL board but will take a leave of absence and have no access to information about other possible offers.

Mr Ray Horrocks, the BL executive director with responsibility for the cars division, will in the meantime also supervise the commercial vehicle operations.

Peter Riddell, Political Editor, writes: The deadline of March 4 set by BL for companies interested in buying its commercial vehicle and Land Rover subsidiaries was disclosed yesterday by Paul Channon, Trade and Industry Secretary, in his seventh comment about BL in the House of Commons in slightly more than a fortnight.

He was again forced on the defensive by strong criticism from both Opposition leaders and a vocal minority of Tory MPs including Mr Michael Heseltine, the former defence secretary.

The need for prepared Commons statements has arisen in part because of clumsy handling of the affair by ministers. There have been widespread doubts about the sale of British manufacturing interests to the US after the Westland affair. The result has been to damage Mr Channon in his first weeks in office.

Mr Channon again gave the impression he believes the approach from GM of the US to take over Leyland Vehicles and Land Rover is in the best commercial interests of the companies.

He said he had permission from GKN, a major motor components supplier, to quote its view that "subject to satisfactory assurances, the Bedford/Leyland merger and the General Motors interest in Land Rover would be desirable from a UK point of view."

Mr Channon made it clear that other serious offers would be considered though he stressed the need to come to a conclusion in the reasonably near future. After the March 4 deadline he said appraisals would continue during March

PLO links severed by Hussein

Continued from Page 1

King Hussein said that "during a gruelling year of intensive effort... we succeeded in achieving what had been felt to be impossible." So much progress had been made, he said, that there was a real opportunity for peace in the region.

Because they had been "so close to the finishing line" when the process collapsed, King Hussein said he felt it was imperative "to give a full public account of the situation and once again turn the matter over to the Palestinians in the occupied territories and the diaspora as well as the Arab capitals and organisations."

The final hurdle at which the peace process fell was, according to King Hussein, earlier this month when Mr Arafat refused to accept a US commitment to the "realisation of the legitimate rights of the Palestinian people" and insisted instead on a US commitment to "Palestinian self-determination."

King Hussein said that if Mr Arafat had accepted the wording "legitimate rights of the Palestinian people," what would have followed was "an immediate opening of an American-Palestinian dialogue on the basis of which we would have continued our efforts towards convening an international peace conference to which the PLO would be invited to participate as a representative of the Palestinian people."

The Jordanian monarch said the PLO would have been able "to represent its people and speak on their behalf with their adversary under the eyes of the world, side by side with the other parties concerned and the five permanent members of the Security Council."

The King added that the basic tenets of the February agreement between Jordan and the Palestinian people would continue to be the foundation of their relationship and gave no encouragement to Israel's hope that he might now come alone to the negotiating table.

King Hussein's speech last night serves, however, to thrust Mr Arafat into increasing isolation. The Syrians have for the past two years refused any dealings with him, and Egypt warned last month of the consequences for the PLO if it refused to accept Resolution 242.

It appears likely that Mr Arafat will now turn even more to Iraq for support, but with Baghdad under heavy pressure from the latest Iranian offensive in the Gulf War, it is not a attractive option.

$ fallen enough Volcker says

Continued from Page 1

The Federal Reserve itself is projecting a rise of 3½ per cent in US real gross national product in 1986, up from about 2 per cent last year and lower than the 4 per cent forecast by the White House.

The Fed expects inflation to be lower than the Administration's forecast of 3.8 per cent. But Mr Volcker said that some members of the Fed's policy-making Open Market Committee see growth rising as high as 4.5 per cent.

Soviets, EEC drawn into Philippines crisis

Continued from Page 1

tion in the current crisis, it expects some embarrassing resignations from the Marcos administration soon. One official under pressure is Mr Jose Fernandez, governor of the central bank, who this week raised interest rates and devalued the peso following a pre-election explosion in the money supply.

Bankers and economists confirmed yesterday that "reserve money," a local measure of money supply, cannot be reduced from the current P41.5bn level to the IMF target of P37.4bn by the end of March. However, delayed talks with the IMF are expected to resume soon.

Amid these developments the mystery deepened yesterday over the retirement of General Fabian Ver as head of the armed forces. Mr Marcos announced on Sunday that Gen Ver would go, and the US, which has long sought his removal, hoped the change would bring belated military reforms.

But Gen Ver, a close Marcos associate who was implicated but cleared of involvement in the 1983 assassination of Mrs Aquino's husband, was still working yesterday, and in the confusion there were fears about „midnight "promotions" to place his associates in key positions before he went.

Reginald Dale, US Editor, writes: In Washington, the Administration continued to resist mounting congressional pressure for an early aid cut-off, which the White House said would be "premature."

On Capitol Hill, Mr George Shultz, the Secretary of State, urged against action before Mr Habib reports back from his fact-finding mission next week. Mr Caspar Weinberger, the Defence Secretary, argued that military aid should continue. The only real beneficiaries of reduced military aid would be the Communist insurgents, he said.

Both the White House and Mr Shultz, however, warned that the US would have difficulty maintaining its two strategic military bases in the Philippines in the absence of genuine democracy. "Let's put our stake in democracy and freedom above the bases," Mr Shultz said.

Mr Larry Speakes, the White House spokesman, said that "without a strong democratic system in the Philippines, the bases themselves would be in jeopardy."

- Lloyds Bank International is to close its offshore banking unit in Manila at the end of March. The bank says the decision is not in response to the present political unrest in the region but follows a review a year ago of all its international operations.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	12	54	Dubrovnik	R	12	54	Malta	S	16	61	Rhodes	F	17	63
Algiers	C	16	61	Edinburgh	Sn	2	36	Manchester	S	3	37	Rio de J'o	C	33	91
Amsterdam	Sn	-2	28	Faro	F	15	59	Manila	S	32	90	Rome	C	14	57
Athens	F	17	63	Florence	C	11	52	Melbourne	C	21	70	Salzburg	C	-1	30
Bahrain	C	18	64	Frankfurt	C	-4	25	Mexico City	S	23	73	San Francisco	C	20	68
Bangkok	S	35	95	Funchal	C	17	63	Miami	S	24	75	Seoul	F	3	37
Barcelona	F	13	55	Geneva	Sn	1	34	Milan	Sn	1	34	Singapore	S	32	90
Beirut	F	19	66	Gibraltar	F	16	61	Montreal	C	-2	28	Stockholm	F	-9	16
Belfast	F	4	39	Glasgow	C	3	37	Moscow	S	-14	7	Strasbourg	S	-3	27
Belgrade	C	7	45	Guernsey	S	-12	10	Munich	Sn	-3	27	Sydney	S	27	81
Berlin	Sn	-8	18	Helsinki	F	-4	25	Nairobi	S	29	84	Taipei	C	17	63
Biarritz	C	8	46	H. Kong	C	15	59	Naples	F	15	59	Tangier	–	—	—
Bombay	–	—	—	Innsbruck	C	-1	30	Nassau	C	25	77	Tel Aviv	S	21	70
Bordeaux	C	0	32	Inverness	F	3	37	New Delhi	S	25	77	Tenerife	C	19	66
Brussels	C	-2	28	Islamabad	C	20	68	New York	C	3	37	Tokyo	C	5	41
Budapest	Fg	2	36	Istanbul	C	16	61	Nice	R	7	45	Toronto	R	1	34
B. Aires	S	31	88	Jakarta	C	31	88	Nicosia	F	19	66	Tunis	F	17	63
Cairo	S	23	73	Jersey	Sn	1	34	Oporto	F	13	55	Valencia	S	15	59
Cape Town	S	26	79	Jo'burg	S	23	73	Oslo	F	-3	27	Venice	C	5	41
Caracas	C	29	84	Lima	S	27	81	Paris	S	-1	30	Vienna	D	1	34
Casablanca	–	—	—	Lisbon	R	12	54	Peking	F	4	39	Warsaw	S	-8	18
Chicago	R	5	41	London	F	1	34	Prague	Sn	-2	28	Washington	Fg	3	37
Cologne	C	-4	25	Los Angeles	S	21	70	Reykjavik	F	2	36	Zurich	C	-3	27
Copenhagen	S	-5	23	Luxembourg	S	-5	23								
Corfu	R	15	59	Madrid	F	8	46								
Dallas	F	12	54	Majorca	S	14	57								
Dublin	C	4	39	Malaga	F	17	63								

Readings at mid-day yesterday:
C–Cloudy D–Drizzle F–Fair H–Hail Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

THE LEX COLUMN

Elders but not much wiser

The UK Chancellor of the Exchequer and the Governor of the Bank of England may have the odd contretemps in private but they at least present a fairly consistent policy to the outside world; not so their counterparts in Washington. Yesterday saw Mr Baker talking the dollar down and Mr Volcker talking it back up again. For once Mr Baker had the better of the argument.

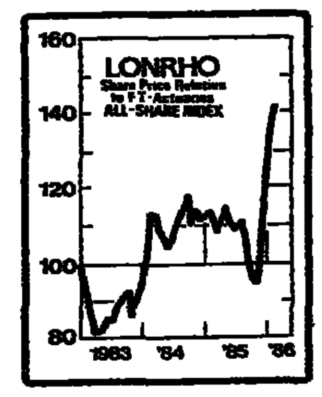
Elders IXL

In making a full-dress presentation of its interim figures to the City yesterday, Elders IXL may have hoped to clear some of the mystery and confusion surrounding its bid for Allied-Lyons and the question of leverage now being studied by the Monopolies Commission. If that was the intention, its execution was a failure.

Elders' parsimonious disclosure, notorious in Australia, is positively self-defeating in London. The refusal to give any but a percentage analysis of divisional profit, which tended anyway to vary in the course of the day, may be pardonable given the difficulty of allocating joint revenues and expenses (including interest charges) between the divisions. Equally, revealing sales volumes in the main production operation, brewing, might assist the competition in the fierce battle for market share in Australian beer. But the upshot is merely to open the door for Allied-Lyons and its friends to question the profitability and capital structure of the group.

Profit before tax for the six months to December rose 41 per cent to A$74m; but trading profits – including the interest received in the finance group – were down marginally on last time; and it is impossible to determine what property sales, which Elders may class as current assets, are included in that figure. What is clear is that the steep rise in Australian interest rates is continuing to squeeze profit: interest payments of just under A$80m show interest cover to be not better than at the time of the Carlton purchase. Even admirers of the speed at which Elders has reduced post-acquisition debt in the past must still wonder how easily it can offload a further £2bn and more in borrowing for the purchase of Allied.

However, yesterday's statement did throw out two intriguing hints. Elders' acceptance of shares from Fielder Gillespie for its stake in Goodman may point to the ultimate home for Allied's food division in an enlarged Australian group; while Adsteam's purchase of 2.5 per cent of Elders may mean that somebody else might be about to do some equity accounting.



Lonrho

As the proud owner of 47.25m Lonrho shares, Mr Tiny Rowland must view the recent activity in the company's equity with mixed feelings.

His paper wealth has increased by more than £40m over the past year and – at 252p – the Lonrho price is at last keeping company with a reported net asset value of 241p. Yet the re-rating of Lonrho cannot be explained simply by reference to the group's trading performance, much improved as it is. The volume of trade in Lonrho shares and options suggests that someone somewhere has designs on Cheapside House.

The report and accounts published yesterday showed that Lonrho is better equipped to resist a bid than it has been for years. Net interest cover has jumped smartly from 2.9 to 3.4 times while the dividend is more than twice covered for the first time since 1979. The quality of earnings is higher, even if the interment of a £10m disposal profit on House of Fraser in the financial services division casts some doubt on Lonrho's conversion to transparent accounting.

Returns on both equity and capital employed have risen by about two points and – most marvellous of all – net debt now represents less than two thirds of shareholders' funds.

Mr Rowland has hinted that he plans to use the present balance sheet as a launching pad for a substantial bid, Inchcape being the market's favourite target. Anything on the Inchcape scale, however, would see Lonrho's gearing shoot back to 100 per cent or more. And that might well leave Lonrho more vulnerable to a takeover than it is at present.

So long as Lonrho confines itself to political skirmishes of the Land Rover variety, the company's growing band of institutional shareholders may be willing to accept the fancy estimates of true net worth emanating from Cheapside House and back the Lonrho board.

UK equity volume

What participants in the new London equity market must be hoping for most keenly, more even than an indefinitely prolonged bull run, is a continuous high volume of business, turning over all that broking and dealing capital rapidly enough to generate a healthy return. Daily business worth more than £1bn – achieved for the first time when the total reached £1.2bn on Tuesday – is just about what the post-nuclear market would like to see on an average day.

This week's record figures may, however, be rather a misleading guide to the future. In 1985, not at all a bad year for the market, the total value of equity business only just topped £100bn; it would be asking a lot for that figure to be trebled in 1986, even on the basis that UK fund-managers are obligingly changing their habits in favour of much more frequent portfolio shuffling.

In any case, the current velocity of equity turnover is to some degree the product of exceptional circumstances, with takeover activity directly reponsible for a significant part of the total. Tuesday's dealing in the shares of just two takeover stocks, Imperial and Granada, would have made quite a decent day's turnover in the market of two years ago.

That is fine for brokers, particularly those who see the large lines of stock which are destined for the tactical armoury of United Biscuits or Hanson Trust. But the fact that everyone is cruising the market looking for the next bid vehicle can still make life difficult for jobbers; there has been some noticeably wide and defensive pricing in the past few days.

High pay-order perch for number-crunchers

BY MICHAEL DIXON

PERHAPS because "man bites dog" is a definition of news, journalists have a taste for cases of biters getting bitten. One heads the menu today.

Actuaries who are much given to serving up vital statistics *on other people, have just* had the same done on them — or on their pay and perks at least — by the Remuneration Economics consultancy.

Besides having a professional appeal, the event has a personal interest. I once made a brief attempt to be an actuary.

It happened just after the scrapping of career number four, which was to be a great painter. The reason for the change was lack of talent. It had not been detected by my school, which had rather steered me towards an art college. But on going there after National Service, I found that my efforts earned something less than acclaim. The more sensitive painting tutors wandered around commenting on other students' work but when they reached mine would typically take one look, leave the room, and come back smelling of Scotch.

At the time an actuarial career seemed a good alternative, even though I had no idea what it involved. My only information on it had come from a fellow conscript met one night in a troopship who said he was going to be an actuary. When I asked what they did, he replied only that it was something to do with inshurance and numbersh, but they earned good money. So I offered my services to the chief actuary of Refuge Assurance in Manchester.

He had me in to see him, and turned out to be a pleasant chap if a bit overthoughtful. The trouble was that straight after the preliminaries he asked what my maths were like. All *I could* say was there *did* not seem to be any word to describe them. He smiled wanly and had me shown out.

Logically, I changed my aim to accountancy where my more experienced and qualified colleagues seemed to have a sceptical opinion of actuaries. One of the standard definitions of them is "people who would have gone on to be accountants except that they couldn't stand the excitement." By the same token, economists could be defined as "people who would have gone on to be actuaries except that they couldn't make up their *minds*"—but that seems to be somewhat beside the point.

Whether accountants still snicker disdainfully at the actuarial profession, I do not know. But if so, the news from the Remuneration Economics survey may well set them *laughing on the other side of* their materialist faces. The study was made in January and covered 554 qualified and student actuaries employed throughout Britain, 262 in insurance and 292 by consultancies. Anyone wanting the full survey report, by the way, should contact Peter Stevens of RE at 51, Portland Road, Kingston Upon Thames, Surrey KT1 2SH; telephone 01-549 8726.

A rough idea of the general drift of the findings is given by the following list of the typical average money rewards of actuaries at different stages of growing old, compared with those of similarly aged qualified accountants who have continued in specialised financial work.

It appears that the only thing which accountants on the whole can do if they want to stay ahead of their actuarial counterparts in the pay stakes, is to die before they are 30.

In the green years below 25 accountancy leads with £10,565 to £8,838, and also in the 25-29 bracket with £14,030 to £14,009.

Thereafter it is a one-horse race. At 30-34 the actuary is already clear with £20,696 to the accountant's £17,314. At 35-39 the lead has extended to £25,305 against £20,874, at 40-44 to £30,980 over £23,254, and beyond 45 to £35,033 with the accountant by that time running backwards at £22,826.

As for perks, the survey report unfortunately supplies no equivalent comparisons. The best I can do is to summarise the typical fringe benefits of actuaries five years after reaching the professional rank of fellow, which means that they are probably aged around 37.

If we take as a standard 100 such people in insurance companies, 72 *received a bonus* averaging 6 per cent of salary, the same number had a company car with 24 having free private-use petrol as well, 79 had medical insurance cover, 82 at least five weeks holiday, and 94 a *subsidised mortgage. Of a* standard 100 in consultancies, only 28 had a bonus but it averaged 19 per cent of salary, 98 had a company car and 37 free private-use petrol, 83 medical cover, but only a mere 28 five weeks or more holiday and 19 help with house-buying.

In sum, it would seem that even if actuaries are peculiarly averse to excitement, they can at least afford to live tediously in comfort.

Mixed pair

RECRUITER Peter Kay is looking for two people. As he may not name his clients he, like the other headhunter yet to be mentioned, promises to abide by any applicant's request not to be identified to the employer at this stage.

The first quarry, who has evidently so far proved extremely elusive, is a financial director with enough commercial spirit to keep tabs on people like product-developers and other marketing types without inhibiting their creative urge. The employer, in the Thames Valley, is the United Kingdom branch of an American high-technology group. The £400m-turnover branch has some 4,000 employees, about 250 of them in the newcomer's domain.

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Mr Kay's other offer is the managing directorship of a London company which has a £12m turnover in carrying-out contracts to do up the insides of buildings. I gather that, in a managerial sense, it could do with a bit of "interior refurbishment" itself.

Candidates need to be demonstrably profit-making general managers in the field of contracting, not necessarily running a business of the same type although it would be all to the good if they were. The money rewards are pitched around £40,000. A car is included in the otherwise negotiable perks.

Inquiries to Kay Consultancy, 1 New Bond St, London W1Y 9PE. Tel: 01-828 1114. Telex 266970.

Banking duo

A FURTHER two people are wanted in the City of London by cricketing headhunter Norman Philpot, who is keenly awaiting a call to rescue one of the England teams in the West Indies and Sri Lanka. It is a pity that he is an exclusively left-handed player. If he batted on one side and bowled on the other, he could split himself straight down the middle and go to save both.

Meanwhile, he seeks a successful senior swaps person to develop a new interest-rate and currency operation for an international securities house, which will probably involve recruiting a supporting team. Pay not disclosed. My guess is £60,000-£80,000 salary plus usual sumptuous City-type perks.

The other job is for an ace foreign exchange and money markets manager who has shown the ability to lead a young and enthusiastic"—which I suppose might be a euphemism for headstrong — dealing room of an international bank. I estimate salary at £50,000 upwards, again with munificent perks.

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As a part of this review, a completely new systems team is to be created within a well established information technology group, to develop the new systems needed to meet the changing marketing demands. Utilising 4th generation languages, real-time database techniques and the very latest ideas in technology, primarily the need is for the fast and accurate provision of information in the trading of equities – but the system requirements at this stage are very open ended. In many respects the market itself has only a broad idea of the final outcome.

To head up this new team our Client is now seeking a Project Leader who, above all, has extensive systems development experience with the specialist knowledge needed to develop in-house systems and purchase commercial software packages when required. Coupled with this a clear understanding of the equities market and dealing procedures is required, to fully appreciate the problems to be solved.

If you enjoy the challenge of change and would like to be a part of the excitement of establishing new systems in what is virtually a greenfield situation, then our Client would be prepared to negotiate a very generous benefits package. This will include salary negotiable up to £25,000, home mortgage subsidy, non contributory pension, free PPP medical insurance, 4 weeks' holiday, season ticket loan scheme, free life assurance and free lunches in a well appointed staff restaurant.

We see this as an excellent opportunity to join a financial organisation with high standing worldwide, and gain experience in an area that is moving through a period of development and change.

To find out more please telephone (0372) 374707 for a confidential discussion and to arrange a meeting in Central London if suitable. Alternatively, send full career details and a contact telephone number in confidence to J.E.M. Associates.

J.E.M. Associates

Personnel Consultants to the Banking & Financial Sectors

Eurobond Processing Manager

Our client, a leading *London* based *Merchant Banking* Subsidiary of a major US Bank, is seeking a Manager of the Trade Processing Section within the Eurobond Settlements Department.

The successful applicant would have gained detailed knowledge of processing a wide range of Primary and Secondary Eurobond transactions along with Euronotes, Gilts, US Treasuries and would be fully conversant with both Euroclear and Cedel operating procedures for Settlement instructions.

Candidates should be able to demonstrate proven abilities in managing staff in a high volume and pressurised environment and would probably have had a minimum of 5 years relevant experience.

Salary is negotiable and would be in the range of £16,000-£20,000 according to experience.

Please write with full personal and career details to the Confidential Reply Service, Ref: ABE/9339, Austin Knight Advertising Limited, 20, Soho Square, London W1A 1DS.

Applications will be forwarded direct to the client concerned. Therefore, companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin Knight Advertising

MORGAN STANLEY INTERNATIONAL MANAGEMENT TRAINING

London Office of Leading Wall Street Firm

Management Information Systems Department (M.I.S.)

Career Development Programme for all University graduates:

We are searching for a select few who have the intelligence, discipline and initiative to dedicate all of their skills and energy to pursuing a unique career opportunity in M.I.S.

This department provides all of the electronic services to the Firm which includes data processing, communications, database analytics, telephones, market quote systems, etc.

Our Programme Offers:

- An outstanding compensation programme. Compensation during the 6 month entry training period is at an annual rate of £11,000.
- A means of establishing a high growth career in M.I.S. in a challenging industry (Securities). We offer a significant amount of training plus the opportunity to work *with exceptionally talented securities industry and information systems* professionals.
- Training will be carried out in our New York offices for a period of between 6-18 months prior to taking up a position in our London branch.

Requirements:

Individuals selected for this programme will have earned a university degree and performed with distinction during their academic careers. Analytical skills are essential. We require your resume and a cover letter in which you develop an organised presentation of your qualifications to enter this programme. In addition to presenting your objectives and accomplishments, please provide us with your academic qualifications including 'O' and 'A' level grades.

Please write to: Joanna Williams
Morgan Stanley International
1 Undershaft
London, EC3P 3HB.

Fund Manager

£25,000 to £33,000

Our client is the investment management arm of an internationally known overseas bank. Due to continually increasing funds under management they now wish to appoint an equity manager.

Candidates should be graduates aged 25 to 32 with a sound understanding of the UK equity market and an interest in the European markets. This is most likely to have been gained through a research background and fund management experience ideally in a similar environment. Performance awareness and lateral thinking are key attributes.

The position will involve joining a small closeknit team and taking over responsibility for managing the equity portion of certain clients funds. *It is envisaged* that this position should appeal to an able individual who now wishes to play an important role in a developing team.

Please contact Fiona Stephens or Martin Armstrong who will treat all enquiries in the strictest confidence.

Stephens Associates
Investment Search & Selection Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307
Representative Associates in New York and Tokyo

Sales and/or Research

Tokyo

With the Japanese Ministry of Finance granting securities broking licences to foreign owned institutions a number of our major internationally based clients are actively building their already established offices in Tokyo.

We are currently searching for investment analysts and sales executives with 1 to 5 years experience in any sector or market who now wish to move to Tokyo and gain localised knowledge of this expanding market.

Please contact Emma Weir.

European Research

Due to developments in European primary and secondary markets we are actively seeking analysts on behalf of reputable clients who wish to expand their coverage of Continental Europe.

Experience of investment research together with general or specific European market knowledge will provide the opportunity for considerable success.

Please contact Martin Armstrong.

For an informal talk about the market or to discuss many other specific positions in the £10,000 to £100,000 range please contact us in confidence.

Stephens Associates
Investment Search & Selection Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307
Representative Associates in New York and Tokyo

Commercial Executive

to £25,000 + benefits

Our client has extensive business interests throughout the U.K., continental Europe and the United States, primarily in the food sector but with substantial and growing involvement in other commercial areas. Significant and profitable investment has taken place in recent years and there is a major forward development plan.

The selected candidate will be heavily involved in the further development of an already highly successful business through the identification of new opportunities related to current activities and the extension of existing operations into appropriate areas.

Candidates, educated to Business School level, must offer several years verifiable success in general or commercial management and a high standard of financial awareness; the ideal age is around 35.

Career prospects are excellent and short term business assignments in the U.S.A. and the continent may arise. Full details of age, experience and qualifications to:

Sir Robin Chichester-Clark
The Welbeck Group Ltd
Executive Search Consultants
Panton House, 25 Haymarket
London SW1Y 4EN

Jonathan Wren

Aircraft Finance

– New Business –

£30-£40,000 Neg

We seek applications from Graduate Bankers, aged 30-35 years, who are able to clearly demonstrate a successful track record in identifying, pricing and structuring of aircraft deals in the £5M + range. Transactions will be both Domestic and International, and will be on or off balance sheet, depending on the size of the transaction. Hence, experience of Syndications, or the ability to make placements would prove useful. **Contact Brian Gooch or Peter Haynes.**

Chief Auditor – ACA

To £30,000

A Major US Bank seeks a Graduate ACA, aged 30-36 years, with 2/3 years extensive global audit/EDP experience, preferably gained within a US Bank at managerial level. This is a senior management appointment offering excellent career opportunities. **Contact Peter Haynes or Brian Gooch.**

Eurobond Origination

£Neg

We have a number of Clients who are major players in the Eurobond Origination area, who seek additional personnel at all levels as part of their expansion programme. The personnel sought should have a degree based education, or professional qualification, combined with a minimum of 12 months experience in documentation and execution, financial engineering, 'buy side' marketing, interest rate swaps, or syndications, gained with a recognised Eurobond Institution. **Contact Bryan Sales or Roger Steare.**

All applications will be treated in strict confidence.

SYDNEY — Jonathan Wren — HONG KONG
Recruitment Consultants
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

Mortgage Manager
International Banking Operation
£25,000-£30,000 + Benefits

Our client, a subsidiary of one of the world's largest financial institutions and an established name in the personal banking/investment sector is broadening its activities into the mortgage lending field.

Consequently, a Mortgage Manager is sought capable of leading and developing the Mortgage Division in the quality residential lending market. Reporting directly to the General Manager, duties will include: the vetting, approval and administration of mortgage applications from respected intermediary sources; the authorisation of loan advances; liaison with the legal and survey professions and the start-up and management of a computerised administration system.

The successful candidate will have a proven track record in a mortgage lending environment together with first class managerial, organisational and interpersonal skills.

This challenging and demanding role offers a highly competitive remuneration package and represents an excellent opportunity for rapid career progression within a foward thinking banking organisation.

Interested applicants should contact Neil Nokes on 01-404 5751, or write to him, enclosing a comprehensive curriculum vitae and quoting reference 3603, at the Insurance Division, 39/41 Parker Street, London WC2B 5LH.

MP

Michael Page City
International Recruitment Consultants—London Brussels New York Sydney
A member of the Addison Page PLC group

International Voluntary Service

IVS

International Voluntary Service

SMALL BUSINESS MANAGER/TRAINING OFFICER

for vocational training centre in Swaziland, to carry out and train others in production co-ordination, marketing, buying, bookkeeping, administration, etc. Formal qualifications less important than relevant experience which may include running a business or co-operative; retailing; experience as a general, sales, office, or personnel manager; accountant or buyer.

Two year contract including modest living allowance. Regret no funding for dependents. Applicants must be resident in UK or Ireland.

For details send large s.a.e. and short c.v. to:

Rose Gorrige
IVS
53 Regent Road, Leicester
Please quote reference FT4

FOREX
APPOINTMENTS

For Forex, Capital Markets and Treasury appointments consult a specialist agency
TERENCE STEPHENSON
Prince Rupert House
9-10 College Hill, London EC4R 1AS
Tel: 01-248 0263

Appointments Wanted

SENIOR EXECUTIVE

currently employed as general manager of major estate agency group, but with 20 years experience with national finance house seeks new challenge anywhere in UK.

Substantial sales and administrative experience in field of property funding.

Write Box A.0056, Financial Times, 10 Cannon Street, London EC4P 4BY.

APPOINTMENTS ADVERTISING

£41 per single column centimetre and £12 per line

Premium positions will be charged £49 per single column centimetre

For further information call:

TREVOR PUNT
01-236 9763

International Portfolio Management
European & Japanese Markets Aged 24-29

Rothschild International Asset Management is seeking to appoint two fund managers with experience of European or Japanese companies.

The posts will suit individuals, probably graduates, with 3 to 4 years' experience gained in a stockbroking or money management company of either continental Europe or Japan.

Candidates must be able to demonstrate that they are capable of creative analysis, and the posts will involve both portfolio management and the provision of specialist advice within the Company. Business activity is expanding rapidly and considerable challenge exists in the Division.

Career prospects are excellent and a highly attractive salary package will be provided which will include participation in a profit-sharing scheme.

Please send a full curriculum vitae to:

The Personnel Director,
NM Rothschild & Sons Limited,
New Court,
St. Swithin's Lane,
London EC4P 4DU.

N.M. Rothschild & Sons Limited

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GILBERT ELIOTT & COMPANY

Institutional Equity Sales U.K.

Backed by the resources of Austria's leading Investment Bank, Girozentrale Vienna, we are committed to a policy of planned growth in international fixed interest and equity market.

In domestic equities, we will build on our specialisations in oil, retailing, investment trusts, construction and food manufacturing and will also look to add further sectors that have long-term appeal.

Our sales effort will continue to be research based and we intend to retain our role as a purely institutional agency broker.

We are seeking to recruit a number of sales executives, individuals or teams, both to service clients on our existing specialisations and to take us into new areas. We believe that our future development offers excellent opportunities to those of the right calibre.

If you think there could be more scope for your talents in a compact, professional shop than in a securities superstore, write to or telephone Julian Knight at GE, on 01-628 6782, STX 4899, or by letter to Gilbert Eliott & Company, Salisbury House, London Wall, London EC2M 5SB.

All replies will be dealt with in the strictest confidence.

Finance Director
High Growth PLC £50,000-£60,000

Our client is one of the country's most successful PLC's who has consistently been in the top rankings for growth and profitability. With turnover circa £200m and a market capitalisation double that, it is the outstanding performer in its market. Financially extremely strong and with an excellent City rating, it is actively engaged on a programme of further international expansion and acquisition within a well defined strategic plan.

As one of a small executive team, and the only other executive director located at the London Head Office, the Finance Director will work in close partnership with the Chief Executive in the direction and general management of the group. He/she will have overall responsibility for the group financial function including planning, financial control, and all treasury and financing matters. Together with the Chairman and the MD he/she will handle acquisitions and City contact.

Candidates, preferably aged 35 to 50, should be qualified accountants or MBA's, with a broad background both at the operating company and group level, ideally in a fast moving organisation. Exposure to general management, experience of the City, and a good grasp of computer techniques would be valuable. They must be self starting, intellectually strong, highly committed professionals who can balance excellent conceptual skills with well rounded judgement, common sense and commercial acumen. Maturity and an authoratitive presence are essential.

An excellent remuneration package including a base salary of £50,000 to £60,000 plus share options will be negotiated. Please write in complete confidence, quoting Ref. 1630, to Ian Odgers who is advising on the appointment.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

A market research orientated

BUSINESS DEVELOPMENT MANAGER

Our fuel efficient gas turbine power sources are consistently winning new orders from airlines around the world. We are now looking forward confidently to a new era in which our technology will find wider applications and open new opportunities for the company. We now wish to make this key appointment within our expanding commercial technology group.

The responsibilities of this challenging role will involve providing market research leadership, a business planning service, identification of potential market size and entry sales strategies. Other facets will include advice on maximising returns and quantified assessment for possible out-turns on new ventures, predicting likely market requirements in terms of products/support services and financial monitoring of all related activity. Travel throughout the UK and overseas will be an essential ingredient of this post.

Applicants, male/female, should possess an MBA degree or equivalent in a business related discipline and have gained at least 5 years' experience in a wide range of market research activities. Candidates must demonstrate outstanding communication skills.

The remuneration package will fully reflect the ability and experience required for the position. *Generous financial assistance will be provided for relocation where appropriate.*

For an informal discussion, telephone Ivan Smith on Derby (0332) 42424, extension 292, or write to him enclosing full cv together with total remuneration required. Rolls-Royce Limited, PO Box 31, Derby DE2 8BJ.

ROLLS-ROYCE LIMITED

PK CHRISTIANIA BANK (UK) LIMITED

The Bank is a major market maker in Eurobonds with particular emphasis on Scandinavian issues. We are currently looking for two top quality men or women to strengthen our rapidly expanding Investment Banking Division.

Swap Dealer

A special opportunity has arisen for a graduate to train as an Interest Rate and Currency Swap Dealer within our Swap Department.

The successful candidate should be a highly motivated and dynamic character who can develop a multitude of skills including marketing and analytical abilities.

This post could alternatively be suitable for an individual with related experience who wishes to broaden contacts with customers at a senior level especially in Scandinavia.

Knowledge of legal documentation, comprehensive understanding of computers, credit analysis and languages would be advantageous but not essential.

Institutional Equity Dealer Scandinavia

The person we are looking for will have solid knowledge of the Swedish and Norwegian equity markets together with analytical work experience as a necessity. The applicants should also have a well established contact network among institutional investors and dealers in the UK and Scandinavia as well as in the United States.

In all cases a *comprehensive* and highly favourable remuneration package will be offered to the successful candidate. Please reply in writing, enclosing a detailed c.v. to Mr. Jan Lundqvist, Executive Director, PK Christiania Bank (UK) Limited, 9 King Street, London EC2V 8EA.

The PK Christiania Bank (UK) Limited is an international merchant bank, jointly owned by:

PKbanken is one of Sweden's largest banking groups and **Christiania Bank og Kreditkasse** which was established in 1848 is the oldest and one of the largest banks in Norway.

PK

PROPERTY DEVELOPMENT
Financial Controller

*A major British interna*tional company, having substantial surplus land resources arising out of its manufacturing activities, wishes to appoint a Financial Controller to join the senior management team of its Property Development division.

The division comprises a holding company and five subsidiaries. It has grown rapidly over the last few years, is highly profitable and is now developing a number of multi-million pound commercial and housing projects, mainly in the south east. This is the senior financial position within the division and offers excellent prospects. The position is based in Berkshire.

The successful candidate could be a qualified accountant or banker with substantial experience of property development and the particular needs of property finance. Experience of computer-based financial control and property management systems would be an advantage. He or she must have drive, flair and maturity and be capable of providing high quality, creative financial advice.

Salary is negotiable from £22,500 depending on experience and the associated benefit package includes a car.

Please contact Richard Varcoe (quoting Ref. 243), enclosing your c.v. and showing how you meet the above specification.

cc&p Cockman, Copeman & Partners International Limited
26/28 Bedford Row, London WC1R 4HF

BROWN SHIPLEY
PRIVATE CLIENTS ASSISTANT MANAGER

The fast expanding investment arm of Brown Shipley, the long established Merchant Bank, is looking for an assistant manager for the private clients department – an area on which great emphasis is being placed.

Duties will involve the development of an already healthy client base and will include direct contact with clients. Working within our team, you will be responsible for the investment management of portfolios, mainly on a discretionary basis.

The successful applicant will be in his/her twenties with at least 3 to 4 years relevant experience in the private client department of a Merchant Bank or stock broker. He or she will have the ability to establish sound relationships with our clients, building on our reputation for providing a high level of personal service.

The remuneration package will reflect the importance of this post and will include the benefits associated with a Merchant Bank of our standing.

Write with C.V. to Norman Perry
Brown Shipley Investment Management Ltd,
Eldon House, 2/3 Eldon Street,
London EC2M 7DU.
(A member of the Brown Shipley Group)

Edward Manson and Company Limited
A Licensed Deposit Taking Institution under the Banking Act 1979

Circa £15,000

DEPOSITS MANAGER

Edward Manson and Company Limited, the banking services division of the Manson Finance Trust plc Group, have a vacancy for a Deposits Manager reporting to the Treasurer. Candidates are expected to be imaginative product developers and able to formulate marketing plans to attract a wide range of retail deposits including cheque deposit accounts. Of necessity therefore, this role will also include the administration and expansion of a small Banking Section.

The ideal Candidate should be an AIB or hold a similar financial qualification and must be able to demonstrate proven communication and leadership skills.

Applicants who are interested in this position should send their Curriculum Vitae to:—

Mrs G. A. Christensen,
Assistant Manager—Group Personnel,
EDWARD MANSON & COMPANY LTD.,
Henrietta House, Henrietta Place,
London W1M 9AG.

AVIATION

Marketing Director sought for two-year-old Aviation Brokerage/Supply company which specialises in commercial/general aviation brokerage and makes a two-way market in commercial/general/military aviation spares in Europe, North America, and the Third World. Company is a subsidiary of one of the world's leading international investment and merchant *banking groups, provides diversified services* including banking, trade financing, export trading and advisory services.

Applicants should have 10-15 years of relevant sales and marketing experience in the aviation industry, and a proven record of dynamic performance. French and/or Portuguese language skills highly desirable. UK base. Compensation commensurate with experience and excellent incentive bonuses paid for successful performance. Please send detailed CV in confidence to CEO, 111 Charter Oak Avenue, Hartford, Connecticut 06106 U.S.A., Attention: Joyce Williams.

PR opportunity for a young professional

RTZ, one of Britain's largest and most successful companies, is re-organising its headquarters Public Affairs team. The company is seeking *an additional public relations officer to undertake a varied range of duties* with a particular emphasis on developing relationships with the City and the financial world.

The successful candidate, male or female, probably aged 25-35, will be working in PR or in the City. Reporting to RTZ's Head of Public and Investor Relations he or she will be educated to a high standard and possess the skills, experience and personality necessary for success in a challenging, fast-moving work environment.

An attractive starting salary will be offered, reflecting the importance RTZ attaches to the post, and there will be prospects for career development.

RTZ Limited

Please write with full details of your career to date, current salary etc., to:
Mr. C. C. Machin, Manager, Personnel Services, RTZ Limited,
6 St. James's Square, LONDON SW1Y 4LD.

Euronote Trading & Sales

...key new appointments in a developing market

Samuel Montagu – a member of the Midland Bank Group – is an established and progressive international merchant bank. The Euronote and Eurocommercial Paper markets are seen as significant growth areas for the Group; Samuel Montagu's Commercial Paper Unit is the focal point for the further development of these products.

We have a strong commitment to expanding and strengthening our activities in Euro-securities and to be one of the City's market leaders in this highly competitive field. We are now looking to recruit an Experienced Trader and two Euronote Salespeople to supplement the existing team.

The Trader will take responsibility for trading our portfolio of Euronotes and Eurocommercial Paper. Relevant experience is sought in trading and formulating dealing strategies for Euro-securities, together with the ability to liaise effectively with sales personnel.

The Euronote Sales positions ideally require experience in developing a Euronote investor base. However, consideration will be given to those with trading or sales experience in a similar area. Qualities sought are enthusiasm and numeracy, together with a proven sales and marketing record.

A competitive remuneration package is offered reflecting experience and the level of appointment. Excellent benefits include mortgage subsidy, generous bonus, non-contributory pension scheme and family medical care.

Please write with full personal and career details to:

**Mrs. Carolyn J. Bland, Manager, Personnel,
Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY.
Tel: 01-588 6464.**

SAMUEL MONTAGU

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-638 9216

Key opportunity for an experienced and creative economist

CJRA ECONOMIST – LATIN AMERICA REGION

CITY **c£25,000**

MAJOR INTERNATIONAL BANK

We invite applications from economists who should ideally have had significant Latin America region economics experience. Any Spanish/Portuguese linguistic ability will be an advantage. Whilst a background in financial markets will be useful it is by no means essential. The selected candidate, who will report to the Manager of the Credit Department will be responsible for evaluating, assessing, reporting and advising on country risk – in broad terms this means global economic forecasting, general background and development of countries within the region; also for introducing and implementing systems *for the continuous monitoring and regular reporting of such factors. Other ad hoc assignments and projects will arise.* Essential qualities are confidence and credibility when dealing with senior managers plus well developed oral and written communication skills. A key element in this appointment will be the training of and imparting of knowledge to Analysts within the Department. Occasional overseas travel may be required. Initial salary negotiable c£25,000, plus generous mortgage subsidiary, non-contributory pension, free life assurance, free BUPA. Applications under reference E17529/FT will be forwarded *unopened* to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the *Security Manager:* **CJRA.**

A career appointment offering significant promotion prospects within the Corporate Planning Group or in General Financial Management in 2-3 years.

CJA FINANCIAL AND STRATEGIC ANALYST – PETROCHEMICALS

BERKSHIRE **£14,000–£16,000**

CORPORATE HEADQUARTERS OF MAJOR EXPANDING EUROPEAN PETROCHEMICAL MANUFACTURER – SUBSIDIARY OF LEADING US ENERGY CORPORATION

This new appointment, the result of expansion, calls for Honours graduates in a numerate discipline or qualified accountants, aged 24-28. We require a minimum of 2 years experience in the financial and business analysis function within a major corporation using advanced investigative techniques, incorporating micro-computer modelling. A background in the petrochemical industry and an understanding of modern accounting practices are desirable together with a knowledge of French. The successful candidate, as a member of a small team, will be responsible to the Manager, Planning and Evaluation, for the analysis of business proposals and comment thereon, budgeting and planning, strategic, financial and market studies, including *acquisitions, plus the control of major capital expenditure. Key to the success of this appointment are an enquiring, analytical and constructive approach,* presentation skills and the ability to perform with the minimum of direction and supervision. Initial salary negotiable £14,000 – £16,000, non-contributory pension, life assurance and free family medical assurance. Applications, in strict confidence, under reference FSA4399/FT to the Managing Director: **CJA.**

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576 TELEX: 887374. FAX: 01-638 9216.

ORGANISATIONS REQUIRING ASSISTANCE ON RECRUITMENT PLEASE TELEPHONE 01-628 7539.

Corporate Finance

Japanese Euromarket

£25-30,000 + bonus + benefits

The Japanese market represents one of the most important and growing sectors of our client's Euromarket activities. As the investment banking subsidiary of a major New York bank, they have a high reputation in the Far East and currently seek to *expand the team handling this vital business.*

You will:

★ Market and close transactions with London based Japanese banks, financial institutions and corporates.
★ Together with the Tokyo office, submit corporate finance proposals to clients based in Japan.
★ Travel to, and possibly undertake, an assignment in Tokyo.

They require:

★ A minimum of two years' corporate finance experience in the Euromarkets.
★ A sound knowledge of asset and liability swaps, new issues, nifs, rufs, private placements etc.
★ Ideally, Japanese experience or language abilities.

Candidates in their 20's or early 30's, with initiative, self confidence and the aggression to succeed in this competitive market, should contact *Christopher Smith on 01-404 5751 or write to him at Michael Page City, 39-41 Parker Street, London* WC2B 5LH, quoting ref. 3561.

MP
Michael Page City
International Recruitment Consultants – London Brussels New York Sydney
A member of the Addison Page PLC group

Officer in Charge

Bank Limits Section

circa £15,000 plus benefits

The HongkongBank Group, with its subsidiaries and associates, ranks among the fourteen largest of the world's banking groups.

This position, based in London, will involve the analysis of Banks and Financial institutions. The job holder will also be responsible for ensuring that proper security documents are issued and received in support of facilities, and the day to day supervision of a small department.

The successful applicant will be aged 28-35 with a good educational background and have completed or be studying for their AIB examinations. He/she will have at least 6 years general banking experience together with a thorough knowledge of credit assessment and facility documentation.

Full career and personal details to:

Personnel Officer
HongkongBank Group
P.O. Box 199
99 Bishopsgate
LONDON EC2P 2LA

HongkongBank
The Hongkong and Shanghai Banking Corporation

OPTIONS BLUE BUTTON

We are an expanding firm of international stockbrokers and we require a young trainee to join our trading team on the floor of The Stock Exchange to learn all aspects of the UK stock market and index options. Career opportunities may also include US and foreign currency options.

Salary negotiable.

Please reply in confidence to:

Box A0052, Financial Times
10 Cannon Street, London EC4P 4BY

Jonathan Wren

Administration Manager Pension Fund Investment

Over £20,000 + Benefits

A leading Accepting House wishes to recruit an individual to take charge of the administrative *aspects of its Pension Fund Investment. The successful applicant will head a small team* responsible for all facets of the investment administration of around 70 pension funds. As such he/she will work closely alongside the Fund Managers and will provide an interface with the Bank's Stock Settlement Office. He/she will also liaise with the Marketing Team and will be responsible for collating their performance statistics.

The successful applicant will probably have carried out a similar role in another Investment House and may be seeking the opportunity to improve career prospects by moving to a more dynamic organisation. This is an important appointment which will attract a competitive remuneration package for the right individual.

Contact Mark Forrester

All applications will be treated in strict confidence.

SYDNEY — Jonathan Wren — HONG KONG
Recruitment Consultants
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

COLLECTIONS CHIEF EXECUTIVE

£18,000 + car

Sound Diffusion is an established leader in the supply of capital equipment to a wide variety of commercial, health-care and institutional sectors. In keeping with our expansion plans, it is now necessary to establish a new company within Sound Diffusion to handle collections.

This is a rare opportunity to build up a new organisation from the ground floor. The success of the venture will depend almost entirely on your managerial skill and influence. You will be required to establish, manage and motivate the support team.

Aged 35-50 and well-established, preferably with an accountancy qualification, you must have the insight and ability to make sound commercial decisions. A persuasive, well presented professional, you must have a solid understanding of credit/rental systems and their legislation. The post offers the opportunity for an individual well versed in business with an impressive track record in collections to make a move into a strong management position.

The highly competitive package includes usual large-company benefits — car, contributory pension scheme, BUPA and, if appropriate, full assistance with relocation to the attractive South Coast location.

Please send full cv to Ann Kerr, Personnel Manager, Sound Diffusion PLC, Datum House, Davigdor Road, Hove, East Sussex BN3 1RZ, or telephone 0273 775499 for an application form.

SDG

HARVARD SECURITIES PLC
Licensed Dealer in Securities
**Harvard House · 42-44 Dolben Street
London SE1 0UQ**

Owing to our continuing expansion, we wish to recruit a further number of

ACCOUNT EXECUTIVES

We are the largest "MARKET MAKERS" in OTC stocks in the U.K. and would welcome applications from self-motivated, ambitious individuals.
A financial background would be helpful but not essential as full training is provided. Previous sales experience preferred.
Remuneration is no obstacle for the right candidate.
For appointment phone 01-928 4944 ask for Miss Fox.

NEW JAPAN SECURITIES EUROPE LIMITED

Applications are invited for the following positions:

ASSISTANT SALESPERSON/TRADER
up to 30 years
Trading convertible and warrant bonds
Full training will be given, but previous experience will be an advantage.

EUROBOND SETTLEMENTS CLERK
Experience essential

JAPANESE EQUITY SETTLEMENTS CLERK
Experience essential and some knowledge of Japanese language, with emphasis on speaking and reading, will be an advantage. Applicants must have wide interest in financial and economic affairs and be prepared to work in an Anglo-Japanese environment.

Salaries are negotiable and will be commensurate with knowledge and experience. Successful applicants will be offered attractive salaries together with bi-annual bonuses and full bank benefits.

Please apply in writing, with a full curriculum vitae to:

**Miss K. Tanno - Assistant Personnel Officer
New Japan Securities Europe Limited
4 Fenchurch Street, London EC3M 3AL**

International Securities Sales Executives

Due to continued expansion of the International Capital Markets, our client, a leading international investment bank, has the following openings:

International Equity Sales - Real Estate

This position will be concerned with selling equity interests, with particular emphasis on raising capital for real estate partnerships, and dealing with brokerage houses. Applicants must have major deal financing experience with particular emphasis in the real estate market and should preferably be educated to MBA level.

Institutional Sales - Austria/Germany

We require people with a proven track record in institutional sales with particular emphasis on new issue trading, placement and underwriting. Applicants should be educated to at least 2nd degree level, be fluent in English, German and preferably one other European language, with a minimum of 2 years' major investment banking experience.

All positions carry competitive salary and benefits packages.
Please send your C.V. to: Mr B Johnson, PER, 4th Floor, Rex House, 4-12 Regent Street, London SW1Y 4PP.

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The Executive Job Search Professionals

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Financial Controller/Treasurer

INTERNATIONAL SECURITIES DEALERS

City — **to £23,500+Bonus+Car**

Our client is one of the largest and most prestigious privately-owned European Merchant Banking groups. Primarily dealing in Eurobonds, they provide a wide range of specialist services to the world's major financial institutions.

Through continued expansion, they now wish to recruit a high-calibre Financial Controller/Treasurer who has experience in handling settlements in the International Securities Market, preferably within a Banking or Investment organisation.

This challenging role will ideally suit an ambitious Qualified Accountant, aged 27 to 40 years, who is able to prepare financial accounts and management reports to strict deadlines. A sound knowledge of treasury and corporate tax matters will be an advantage, whilst a familiarity with the latest computer applications is essential.

Commercial flair, drive and self-motivation will be key personal qualities of the successful candidate.

A substantial bonus and benefits package is offered, reflecting the importance of this senior apointment.

Please apply in complete confidence to **Gary Laurence**, the group's financial recruitment advisor, on **01-242 0509**, or if writing, enclose a full C.V. and salary history for his attention at:

SELECTED ACCOUNTS PERSONNEL LTD
Suite 321, High Holborn House, 52/54 High Holborn,
London WC1V 6RL
Telephone: 01-242 0509 (24 hours)

Interviews will take place in or out of office hours, whichever is more convenient.

MAJOR U.S. INVESTMENT BANK

Recruitment Officer

Age: 24-32

Excellent Salary Package inc. Bonus + Mortgage

THE COMPANY: One of the biggest names in the Industry, taking pride in leading the field and determined to maintain its position by continuing to hire the very best.

THE POSITION: To play a vital role in coordinating and controlling all recruitment activities and related personnel matters within a major section of the London operation involving recruitment at all levels upto and including Managerial together with the development and implementation of employment policies.

THE CANDIDATE: Should be a Graduate with at least two years relevant experience. The successful candidate will have outstanding interpersonal and analytical skills, functioning well within a team environment and be assertive and influential in dealing at all levels.

PROSPECTS: Excellent – this is a high pressure, high profile role within an organisation dedicated to the recognition and reward of achievement.

Please contact SUSAN FIRTH in the strictest confidence

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

Firth Ross Martin

Scottish Enterprise Foundation

UNIVERSITY OF STIRLING

Applications are invited for a **Senior Lectureship** in the Scottish Enterprise Foundation based at the University. The post is sponsored by Strathclyde Regional Council and the Foundation.
The Foundation and Strathclyde Regional Council have agreed to set up a network of Small Business Centres in further education colleges in Strathclyde. The network will help local business through the provision of managerial and technological skills.
Candidates should have experience in enterprise training and be familiar with the education or business sectors. *He/she will be responsible for setting up Small* Business Centres in colleges and co-ordinating enterprise training matters within the network.
The appointment will be for 3 years initially. Salary will be within the scale £14,700-£18,413 (under review).

Department of Business Studies

LECTURER

Applications are invited from suitably qualified candidates for this new post created through the expansion of the Department. The appointee will be expected to contribute to the established undergraduate programme in Business Studies and the MBA programme and will be *joining a strong research oriented group* led by Professor Tom Cannon and Professor John Dawson. Applicants should preferably have interests in teaching Marketing or Personnel Management, but applications from any area or Business Studies are welcomed.
The post is for 5 years in the first instance and salary will be within the lecturer scale £7,821-£15,522 (under review).
For both posts, applicants should submit a curriculum vitae, together with the names of three referees, to the Secretary, University of Stirling, Stirling FK9 4LA. Tel: 0786 73171, ext. 2314, from whom further details are available. Closing date *for applications* is 17 March 1986.

Gilt Portfolio Management

Salary negotiable

PosTel Investment Management Limited, investment managers for the British Telecom and the Post Office Superannuation Schemes, are looking for a competent professional to join the small gilt-edged and fixed-interest team.
The successful candidate would undertake the analysis of gilt-edged and index-linked markets, deal in such securities and monitor the performance of the Funds managed. Applicants should be graduates with a high level of numeracy. Familiarity with the techniques of gilt market analysis and a minimum of two years' relevant experience is essential.
Please write with full career details to:

Clive Gilchrist, Investment Manager, PosTel Investment Management Limited, Equitable House, 48 King William Street, London EC4R 9DD

PosTel
Investment Management Ltd

Looking for greater challenges and rewards in 1986?

LICENSED SECURITIES DEALER TO £60,000 PLUS

1985 proved so successful for our company, that we need more professionals to help us handle our anticipated growth in 1986. Ideally applicants should have had at least two years' experience marketing securities on any of the recognised markets. However, those with experience in any other related spheres may be considered.

You will be working for a Licensed Dealer in Securities in excellent new City offices. As part of a professional team, you will be working with a broad product and client base and, most importantly, you will be rewarded according to your effort.

Please reply in confidence, enclosing brief CV, to:

The Managing Director
SHERIDAN SECURITIES LTD
International House, 1 St Katherine's Way, London E1 9UN

Appointments Wanted

"THE 'ROLLS-ROYCE' OF HER BUSINESS!"

Top level confidential Secretary/PA (freelance) now has available up to 20 hours weekly on any regular basis. Own IBM (golfball) + portable electronic, audio equipment, etc. Average weekly fee £12 per hour.

Write Box A0058, Financial Times, 10 Cannon Street, London EC4P 4BY

STOCKBROKERS

PRIVATE CLIENT SPECIALISTS

We wish to recruit an Executive(s) who can operate within a team framework with minimum supervision. Our business is fast expanding so the scope for further advancement is high for those applicants with a good background knowledge of the industry. Preferred age 26-34.

Reply in confidence to:

Ref: RS, P.O. Box 4SR
1 Hanover Square, London W1A 4SR

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We seek the following for leading market makers:—
EUROBOND TRADERS, EUROBOND SALES AND FIXED RATE DEALERS

Bond settlements clerks.
Qualified chartered accountant with experience gained in a bank for position as chief accountant.
Highly experienced auditor, not necessarily qualified.
Programmers for IBM 36.

For other clients we seek:—
Bank Treasurer, with experience gained in a bank, of swaps, deposit taking, money market and interbank dealing.
This position, which carries a high salary, is for a bank treasurer rather than chief dealer and calls for innovative skills.
Italian and French speaking credit analysts.
Scandinavian marketing officer with fluent Swedish to market commercial banking products.
Senior and junior U.K. marketing managers with experience of marketing to middle and small UK companies.
Trust Officer with capability of marketing to new and existing clients.
Mortgage manager to set up new department.
Please speak with Elizabeth Hayford on 01-377 8600 to discuss these positions in confidence.

LJC BANKING

146 Bishopsgate, London EC2M 4JX: 01-377 8600

ACCOUNT OFFICER

c. £16,000

Blue Chip Merchant Bank require a graduate banker with two years international corporate credit analysis experience. Working in their international team the successful candidate will be responsible for the development of existing business together with research and marketing to potential clients with the emphasis on special financial packages.

For further details please call

Mike Blundell Jones on 01-236 1113 (24 Hours)
PORTMAN RECRUITMENT SERVICES

PORTMAN RECRUITMENT SERVICES

LONDON BRANCH OF MIDDLE EAST BANK

requires

Senior Foreign Exchange Trader

Age 22-30, with at least 4 years' experience of spot and forward trading in an active bank in London.
Salary from £23,000 plus car and bonus potential.

Deposit Trader

Age 21-26, with at least 2 years' experience in an active trading environment.

Salary range £15,000-£18,000 with bonus potential.
Both positions carry the usual range of banking benefits.

Applications giving full details of background and experience will be treated in strictest confidence and should be addressed to:

Box T2-372, Reynell & Son Limited,
2 Station Road, Epping, Essex CM16 4HA

YOUNG GRADUATE

with Computer Experience

£9-13,000

A small, rapidly-expanding Currency Risk Management company is *looking for a young graduate, 21 - 26,* to undertake software development and research in portfolio management. The successful candidate will be familiar with FORTRAN, PASCAL or BASIC and be prepared to work in an unstructured environment to demanding deadlines. He/she should expect to move into a role with dealing responsibilities and client contact.

The salary package is negotiable according to age and experience and includes a non-contributory portable pension scheme and life assurance. Prospects are outstanding for the right person.

Write, enclosing curriculum vitae, to:

Leslie Halpin, Director

N.P. Record Ltd.
Professionals in
Currency Risk Management

George V Place, 4 Thames Avenue,
Windsor, Berkshire, SL4 1QP

Eurobond Dealers

Lloyds Merchant Bank is seeking Dealers with proven ability to cover the following sectors:
- U.S. Dollar Straights
- ECU's
- Euro-Sterling (experience in Bulldogs essential)

Salaries, conditions and additional benefits will be based on length of experience (minimum two years).

Applicants should apply in writing enclosing curriculum vitae to:

Lloyds Merchant Bank

R N Dowler
Senior Assistant Director, Personnel
Lloyds Merchant Bank Limited
40-66 Queen Victoria Street London EC4

Accountancy Appointments

Successful, expanding group seeks a commercially minded

FINANCIAL EXECUTIVE

London — **c£28,000 + car**

The St Ives Group plc, which is engaged in the production of magazines, books and brochures, has an outstanding record of profits growth. Following its Stock Exchange flotation last September, St Ives doubled its size in December by an agreed offer for the leading book printer, Richard Clay. As part of its programme of continuing expansion, the Group now wishes to strengthen its central finance team.

The successful candidate will cover a wide range of responsibilities including a computerisation exercise, group accounting and statutory duties, and sharp-end involvement in operating companies' performance. There are excellent prospects for progression either at group level or to a financial directorship in a subsidiary.

Applications are invited from Chartered Accountants, preferably in the 35-40 range with relevant practical experience in a small/medium sized business environment.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2362 to G.J. Perkins, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

AN EXCELLENT CAREER OPPORTUNITY

FOR A YOUNG, AMBITIOUS

FINANCIAL ACCOUNTANT/COMPANY SECRETARY

We are a rapidly expanding UK based oil company with international ambitions currently specialising in oil and gas exploitation in the USA. The company is listed on the London Stock Exchange.

To cope with our rapid growth and ambitious corporate development plans, we are seeking a young, ambitious accountant, preferably with experience in industry, to take over the accounting and company secretarial functions of our small Head Office in London. It is also preferable, but not essential, for the successful candidate to possess computer skills.

The main duties of this position, which reports directly to the Financial Director, are as follows:

- ★ Preparation of holding company financial accounts.
- ★ Preparation of consolidated management accounts.
- ★ Financial analysis of subsidiary operations.
- ★ Management of company secretarial functions.
- ★ Assist in preparation of long-term financial plans.
- ★ 'Ad hoc' financial analysis.

This is an excellent opportunity for an ambitious self-starter who can fit into a small, tightly-knit head office team. The salary package is negotiable and will be made attractive to ensure that the correct calibre of person is recruited.

PLEASE WRITE TO BOX A0057, FINANCIAL TIMES,
10 CANNON STREET, LONDON, EC4P 4BY.

Financial Accountant

Subsidiary of a Major US Investment Bank

AGE:25-30 Salary: c.£22,000+Bonus+Mortgage

West End

THE COMPANY is newly established and geared to become a leader in the highly *competitive Home Loans market.* Strong backing comes from the parent, a major force in Investment Banking with a reputation for commercial flair.

THE ROLE is to help set up the accounting function – responsibilities will include Cash-Management, Financial Accounting, Management Accounts, *development of Internal* Controls and the development of a new computer system to cater for the projected growth. Reporting to the Financial Controller, the appointee will be responsible for one qualified accountant and two accounting assistants.

THE CANDIDATE should be aged up to 30. Qualified Accountant, preferably Chartered, with a minimum two years post qualification experience in the Finance Sector. Candidates must possess the personal qualities of energy, enthusiasm and ambition combined with first rate technical knowledge.

OPPORTUNITIES are excellent for specialisation or movement to other areas of the company as well as the later opportunities in Banking within the parent company.

Please write, enclosing career details, or call Susan Firth in the strictest confidence.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

Firth Ross Martin

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LOUISE HUNTER on 01-248 4864
or
TREVOR PUNT on 01-236 9763

Accountancy Appointments

Business Planning Manager

London — **to £30,000 plus car**

Our client is one of the country's largest and most prestigious corporate organisations with £multi billion assets and revenues and with annual capital expenditure approaching £1 billion. They now seek a Manager — Business Performance and Planning to be responsible to the Controller of Financial Resources.

The prime task is to develop further the procedures for establishing short term budgets and medium term plans. This will require a comprehensive pattern of management reports to appraise plans, monitor performance, both financially and technically, and control cost. The work will involve close co-operation with both production and construction management, the control of a small qualified inter-disciplinary team and the use of extensive computer facilities.

Applicants, preferably aged mid to late 30's and ideally graduate FCAs or MBAs, should be mature, commercial business thinkers. They should have excellent presentation skills and should have extensive corporate planning experience in a construction or heavy engineering context. The salary will be up to £30,000 per annum, plus car and usual benefits. This large and diverse organisation offers a wide range of promotion prospects.

Please write, in confidence, with full career details, quoting reference 6025/L to John W. Hills, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

FINANCIAL CONTROLLER

A Financial Controller is required for a new international wine marketing company which will be based in the historic Cotswold town, Cirencester, with effect from April of this year. The successful applicant is likely to be aged between 30-50 years, will be an F.C.A. or equivalent and will probably have had some experience in a F.M.C.G. company. Knowledge of French or Italian languages would be an advanage.
Salary range £20,000-£25,000 according to experience. Company car together with benefits package.

Applications with full personal and career history to:

Rexmanor Consultants
Yanworth House
Yanworth
Nr. Cheltenham
Glos GL54 3LQ

Management Accountant

High growth retail

London

c. £20,000 + Car

The company is successful and fast growing, a leader in its competitive sector. In the UK, sales have increased by 40% per annum and this year will be in excess of £180m. The operating style is professional and action oriented resulting in a reputation for high quality products and services.

The Management Accountant leads a team of 26 staff who have the dual objectives of providing meaningful management information to line managers and ensuring proper controls are implemented. The emphasis of the job will be on man management, and in the early stages on controls over cash, inventories and suppliers payments.

Candidates should be qualified accountants, probably chartered, and aged in their late twenties. You should have a record of increasing responsibility and achievement in your career to date. Success will be determined by effective management skills, the ability to prioritise and to represent finance to operations personnel. You will be rewarded by increasing responsibility as *the department grows and an attractive* remuneration package which, after a year, includes a performance related bonus.

Please reply in confidence, giving concise career, personal and salary details to Michael Fahey, Executive Selection, and quoting Ref. ER837.
Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Executive Selection
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Systems Development & Control

management of change

Central London — **c£20,000 + mortgage etc.**

With the introduction of major new systems our substantial financial services client needs to strengthen its control function in one of its largest business areas.

This is an important position coordinating development of new accounting systems with control of existing ones. Emphasis will be on development, appraising new systems to ascertain feasibility for further application and designing special end user systems.

Applicants should be qualified accountants aged c28/35, strong communicators with systems experience, preferably gained in the financial sector. Career prospects in this well known group are extensive.

Please write with full career details and day time telephone number to David Tod BSc FCA quoting ref: D/387/WF.

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

COFLEXIP

Join Us at the Start

An established international market leader in the offshore oil industry, COFLEXIP both manufactures and installs flexible subsea pipelines and riser systems. Its headquarters are in Paris and it already has a prominent UK presence. It has enjoyed significant expansion in recent years and has now created a number of new key London based appointments that will play a major role in the Company's future growth.

Financial Accountant

Responsibilities will include creating and implementing all accounting procedures to comply with UK fiscal and statutory requirements, developing and administering the Treasury and Cash Management functions and supervising a small accounts team.

Probably aged under 30, you are a Chartered Accountant with at least three years industry related experience. You are ambitious, outgoing and fully confident of your ability to succeed and excel.

Management Accountant

Producing monthly management accounts and other financial statements, you will create and administer the Company's budgeting and management control systems. You will be responsible for the installation and development of computerised forecasting as a management tool both for the project teams and the company generally.

Aged under 30 and an ACMA, you are keen and able to accept increased accountabilities in a short period of time.

In both cases a knowledge of French is advantageous.

The posts are based at the company's new UK headquarters in West London. An excellent and highly competitive benefits package is available, including relocation as necessary.

In the first instance and in complete confidence, please ring or write to John Diack or Liz Davis of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel 01-404 5701.

Cripps, Sears

Financial Controller

N.E. London — **c £25,000 + car**

Expanding manufacturing group, a PLC which is a market leader in its sector, seeks a Financial Controller to be responsible to the Managing Director for overall control of finance and accountancy. Preferred age 33 or above.

Candidates will be qualified accountants with board potential, who are presently senior financial executives in significant profit centres in manufacturing industry. Experience of financial planning and EDP development is required and Treasury involvement would be useful. General management is a medium-term prospect. Relocation assistance available.

For full job description write in confidence to W.T. Agar at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements, quoting ref 2239/FT. Both men and women may apply.

JC&P
John Courtis and Partners

GROUP FINANCE EXECUTIVE

London Airport - Gatwick
Generous salary, car and substantial benefits.

Continued development of this airline dominated group has resulted in the need to appoint a senior executive at corporate headquarters. Responsibilities will be varied and include the management of the group finance function and in particular the review of possible acquisitions, the negotiation of major leases and similar activities.

Applicants should be Chartered Accountants aged between 30 and 35, with experience gained at the top-level, preferably in the financial services sector.

This post offers prospects of substantial advancement.

Salary is negotiable and is likely to exceed £30,000.

Please write in confidence to M.J.B. Ping, enclosing curriculum vitae and quoting reference F/126/P, at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

British Caledonian Group plc

4 Years Post Qualified Experience?

TUNBRIDGE WELLS — **£20,000 PACKAGE**

This is what we call a unique opportunity!

Our client, a quoted property PLC which has recently doubled in size through acquisitions is specifically concentrating its resources in the rapid *growth areas of private health care and sheltered housing.*

Ideally, we wish to recruit an ACA/ACCA from commerce or industry who has combined sound financial accounting skills with a proven track record as a Company Secretary.

As Group Chief Accountant/Company Secretary you will be expected to contribute positively in such areas as tax planning and company acquisitions. However, your most immediate responsibilities will include the design and implementation of a new company pension scheme, and assisting in the installation and management of a new multi user computer system.

It is the beginning of a dramatic new stage in the company's development which dictates that this role is a considerable career opportunity!

If you possess the necessary personal qualities and technical abilities, please apply in writing or by telephone, to Marleine Kay.

Accountancy Personnel *placing Accountants First*
6 Glen House, Stag Place, Victoria, London SW1E 5AG.
Telephone: 01-834 0489.

Capital Markets

c£25,000

A leading US Investment Bank currently requires ambitious young accountants to join their expanding Capital Markets Support team.

They are also seeking a senior accountant with banking experience

Individuals must be self-motivated, have analytical, enquiring minds and be able to liaise with other team members and trading staff

This represents an exciting opportunity for career progression at a time of significant changes in London's financial markets

For further details please write or telephone in strict confidence quoting reference SM1492.

Rochester Recruitment Ltd,
22A College Hill, London EC4R 2RP
Tel: 01 248 8346 (0932-220151 Eves/Wkends)

Planning & Acquisitions

Thames Valley — **c£18–20,000**

At the forefront of technology in a number of fields our client is committed to expansion by further developing existing businesses and by acquisitions.

An ambitious graduate accountant with up to two years post qualification experience is sought for a creative role in its small, high calibre corporate planning team.

Emphasis will be on further acquisitions — identification, appraisal and post acquisition review. Further non routine work will include group planning and performance review, advising on all financial aspects of its activities and presenting special reports to the board.

Working closely with senior management of all disciplines, this is one of the most exciting and rewarding opportunities currently available for talented young accountants. It is a proven route to fianancial and general management at group or subsidiary level.

Assistance will be given to relocate to this attractive area which is within easy travelling distance from London.

Please write with full career details or telephone David Tod BSc FCA on 01-405 3499 quoting ref D/398/WF.

Lloyd Management
125 High Holborn , London WC1V 6QA Selection Consultants 01-405 3499

Financial Director

CAREER OPPORTUNITY
USM PROSPECTS

£27K *plus benefits.* Company car, bonus, share option scheme.

Our company is a progressive and fast expanding independent company operating in the fields of communications and publishing. We have won a number of national export awards, having displayed exceptional growth in our first five years, and are on course to seek a USM placement within the next two years.

As part of the company's continuing development plan we now wish to appoint a financial director who can play a full and active role in the company's strategic planning and who will be responsible for the entire accounting and management information requirements.

A high degree of commercial flair and first hand knowledge of computer based systems is essential. Other requirements include a strong track record in financial management, proven commercial experience, as well as an understanding of international business.

Candidates will be qualified accountants with first class training, a degree is preferred, and aged between 26-35. This position will appeal to accountants with outstanding ability who wish to use their drive and initiative to the full. It represents a genuine opportunity to contribute to, and be rewarded by, success in a dynamic environment. Other rewards include a salary of £27K, a company car, a performance related bonus and a highly attractive share option scheme.

Please apply in confidence, giving comprehensive career, salary and personal details to: BOX NO. A0053, Financial Times, 10 Cannon Street, London, EC4P 4BY.

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Accountancy Appointments

Banking and Finance Sector

Financial Management Consultancy

City Based — **Competitive Package, including car**

Peat, Marwick, Mitchell & Co. is one of the world's major firms of accountants and management consultants with over 350 offices throughout 100 countries. We have a pre-eminent position worldwide, and especially in the UK, in the provision of accounting, tax and consultancy services to the financial sector.

We have firmly established ourselves at the forefront of the financial sector, having gained a reputation for high professional standards in our work for leading financial organisations across the world. With demand for our services in this area increasing rapidly, we now wish to appoint several senior accounting professionals to augment our experienced Banking and Finance Group.

Work as a consultant is varied and challenging. It includes analytical and problem solving studies, evaluating and implementing complex transaction processing and accounting systems, developing management information systems and establishing effective financial control procedures. There are also opportunities to participate in business strategy, organisation and operation studies. The clients range from small, single location securities companies to major banks and financial institutions with large branch networks.

Aged between 28 and 35 with a recognised accounting qualification, you will have had a successful and progressive career to date and have gained experience with banking, stockbroking, building societies or credit card organisations. Of prime importance are excellent verbal and written skills, initiative and self motivation, the ability to adapt quickly to new environments together with the personal qualities required when dealing with senior client management.

Career opportunities within our firm are exceptional for high calibre individuals – promotion and salary progression can be rapid and opportunities exist to work overseas. You will be encouraged to develop your own business awareness and technical skills to the full, and to take an active part in our development and growth.

Please write in confidence to M. Houldin, Peat, Marwick, Mitchell & Co., Management Consultants, 1 Puddle Dock, Blackfriars, London EC4V 3PD.

PEAT MARWICK

LECTURER IN ACCOUNTING

Applications are invited for the above post. The University runs a "recognised" degree course in Accounting and Financial Management. The person appointed will be a qualified accountant with a good first degree.

Salary according to age and experience. USS.

Closing date for applications: 17th March, 1986.

Further particulars from The Registrar, The University of Buckingham, BUCKINGHAM MK18 1EG. Telephone: Buckingham (0280) 814080.

The University of Buckingham

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £41 per single column centimetre plus VAT

LLOYD'S BROKER ACCOUNTANT

City of London — **£17,500-£25,000**

This is an exceptional opportunity to join a highly successful Lloyd's Broking Group offering good career progression to the person taking a positive approach to this job.

Candidates must demonstrate the capacity to plan and organise the work of 30 staff handling day to day financial and business accounting in a computerised environment. This includes cash flow management and credit control. Managerial ability and strong interpersonal skills are more important than experience in the insurance sector.

Candidates, aged 25-35, who are professionally qualified may be working in Industry, Commerce or the Profession, although a purely Audit background is unlikely to be appropriate.

Please reply in strictest confidence, submitting a full CV, to: JMF Dixon, Houghton Sanderson Associates Ltd, 41 Eastcheap, London EC3M 1HX.

Houghton Sanderson Associates Ltd.

HS

Management Consultants

Financial Director Designate

Kingston, Surrey
c£27-30,000 + car + share options

A leading publisher and wholesaler of computer software and books, with turnover forecast to reach £5m next year, now seek a highly motivated and business-minded accountant to work closely with the Managing Director in achieving ambitious growth objectives which include a USM listing and European expansion.

Specific tasks in this new appointment will include: establishing effective management accounting, planning and budgeting systems, cash flow forecasting, contract negotiations, fund raising and acquisitions.

Candidates will be qualified accountants, probably in their 30's, who have the commercial awareness to contribute effectively to a broad range of business issues in a small team environment. Technical requirements include hands-on microcomputer experience plus a working knowledge of VAT and a broad understanding of tax. Experience gained in the publishing, leisure or retail sectors would be ideal.

This will be a stimulating role in a company with considerable potential and represents an opportunity to make a significant personal contribution which will be rewarded with an attractive salary, share options and an early directorship.

Candidates should write enclosing a full CV and quoting reference MCS/2028 to: Milton Ives
Executive Selection Division
Price Waterhouse
Management Consultants
Southwark Towers
32 London Bridge Street
London SE1 9SY

Price Waterhouse

LONDON TAX SPECIALISTS

1986 has started with a high emphasis on Tax appointments. London practices in particular are recognising the need to consolidate growth in 1985 with well planned development in 1986. This is creating career opportunities at senior levels for tax professionals with drive and ambition. The following are just two we are currently handling for London practices.

TAX/COMMERCIAL PARTNER TO £80,000 Ref. 5938

Our client is a forward thinking medium sized firm of chartered accountants with a positive approach to continued development.

They now seek an additional partner with a strong Tax/Commercial bias and good management skills. A sound background is essential for servicing existing clients and capitalising on new business opportunities.

Preferably a qualified accountant, the successful candidate will have a good tax or general practice track record which demonstrates self-motivation and technical expertise.

TAX PARTNER DESIGNATE TO £45,000 Ref. 9800

We are retained by a medium sized chartered accountancy practice who, having developed their tax portfolio considerably over the last three years, now wish to recruit to facilitate further expansion of taxation services.

This plan opens up an exciting opportunity for a young specialist with experience gained in either practice, tax education or the Revenue to make a positive contribution to the practice.

Currently expected to be earning at least £20,000 the successful candidate will need a creative and ambitious approach to new and existing client work.

All applications will be handled in the strictest confidence, and should be addressed to Hazel Webber BA at our London address, quoting the respective reference number.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
163a Bath Street, Glasgow G2 4SQ. Tel: 041-226 3101
India Buildings, Water Street, Liverpool L2 0RA. Tel: 051-227 1412
113/115 George Street, Edinburgh EH2 4IN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Finance Director

Dagenham

Min. £25,000, car, profit share, share option

This is an exceptional opportunity to make a direct contribution to the development and profitability of a small, well established unquoted company with institutional share holders.

Within easy access of London and the M25, the company is a world leading manufacturer and supplier of photographic products. This senior position will be totally responsible for the finance function, with special emphasis on tight cost control, financial planning and the management of computerised systems. Working closely with the Managing Director, the successful candidate will participate in strategic planning for the future expansion of the business.

Candidates will probably be aged 28–36, be qualified, ideally having a university degree, and have experience within a cost-sensitive manufacturing environment.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to *M. Gould*, **Hoggett Bowers plc**, 1/2 *Hanover Street*, LONDON, *W1R 9WB*, 01-734 6852, quoting *Ref: 21025/FT.*

Merchant Banking

City — **c £18,000 + excellent benefits**

Incorporated in the UK in 1975, our client's volume of international loans, notes and bonds exceeds US $300 billion per annum. Increasing status, particularly in the primary market dictates the establishment of a new function.

Reporting directly to the Managing Director, the brief is to develop internal procedures and controls to ensure secure operational and accounting systems to audit standard. Thus a qualified accountant aged 25/30 years with experience of banking and in particular the Eurobond market will find this a challenging start to a longer term career.

In addition to a negotiable salary, the excellent benefits include twice yearly bonus, mortgage, personal loan facilities, BUPA and non-contributory pension.

Write with full CV and daytime telephone number, quoting ref. FT/93 to Patrick Donnelly.

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

Nationwide Building Society

invites applications for the position of

SYSTEMS ACCOUNTANT

up to £18,000 & car

This is a new position based at the Society's Head Office in High Holborn. It offers an excellent career opportunity to a highly motivated, qualified accountant aged under 40 with a minimum of 3 years' professional auditing experience and an in-depth knowledge of diverse computer systems. The person appointed will be called on to research and develop improved accounting "real-time" computer systems to operate throughout the Society and particularly in the treasury area. He/she will represent the Treasury Division at project meetings with other departments, participating in conceptional design of highly sophisticated accounting and management information systems for the future. The work will involve travel between London and Swindon Computer Centre.

Commencing salary of up to £18,000 per annum within a range which rises to £21,000 (including London Allowance) through annual performance increments. Conditions of service include BUPA membership, four weeks four days annual holiday and staff restaurant. Concessionary mortgage facilities are available after 3 years' service. Generous assistance with relocation expenses will be provided where necessary.

Those interested in responding to the challenge presented *by this new post are invited to telephone* 01-242 8822 Extension 3581 for an application form. The closing date for the return of application forms is 10th March 1986.

R. N. Wharton, Recruitment Manager,
Nationwide Building Society,
New Oxford House, High Holborn,
London WC1V 6PW

An Equal Opportunity Employer

Assistant to Financial Director

London — **c£18,000 + car**

Our client is a rapidly expanding group providing a comprehensive range of marketing services including advertising, consultancy, promotions and direct marketing. It is an autonomous subsidiary of a major international group.

This is a new position created to assist the financial director and take responsibility for management and statutory reporting, cash management and coordinating the preparation of the annual budget and updates.

This role will provide extensive contact with young creative managers so enthusiasm and a flexible, yet firm approach are essential. Varied administrative and one off commercial tasks will provide a good introduction to the business in which there are excellent future prospects.

Applicants should be commercially aware qualified accountants aged mid/late 20s.

Please write with full career details or telephone David Tod BSc FCA on 01-405 3499 quoting ref D/397/RF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Young Accountant

CAPITAL MARKETS — CITY MERCHANT BANK

Salary c.£20,000 + Bonus + Banking Benefits

Our client, the progressive Merchant Banking arm of a leading international banking group, is committed to a continuing programme of diversification and expansion, particularly within the Capital and Money Market sectors. This has led to an increase in the range and complexity of transactions, creating a challenging opportunity for a young Accountant to develop improved support functions.

This new role assumes immediate responsibility for the introduction and development of additional Capital and Money Markets accounting/reporting systems. This will involve close liaison with Dealers, Settlement and Accounting Staff.

Candidates will be young (24-28) highly self-motivated Accountants with some exposure to financial institutions (either within an audit capacity or directly). Excellent interpersonal skills, together with a strong analytical and problem solving ability, will ensure accelerated career development within this entrepreneurial environment.

For further information please write, enclosing career details, or telephone Susan Ross.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE 59A LONDON WALL, LONDON EC2M 5TP TELEPHONE 01-628 2441

Firth Ross Martin

FINANCIAL ACCOUNTANT

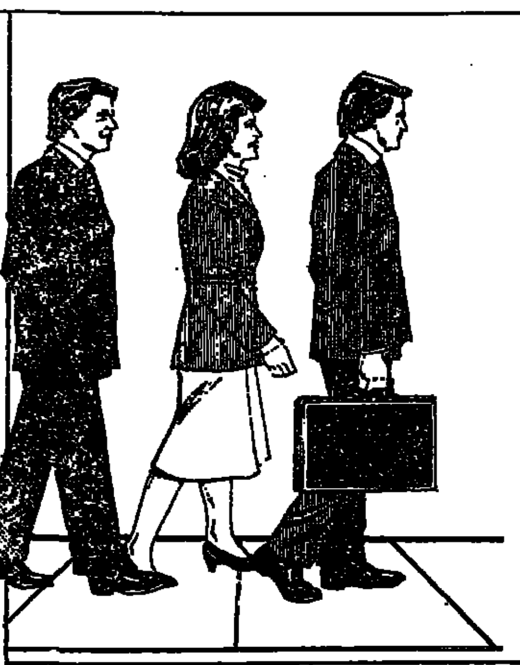
c£14k — **Woking, Sy.**

With staff of 7, for Head Office of highly profitable Company, designing, manufacturing and exporting to 50 countries. Early promotional prospects and generous benefits. Phone or write in confidence, Ref TD69.

MICHAEL QUEST ASSOCIATES,
569 Chiswick High Road, London W4 5RS.
Tel: 01-995 3246/7 or 01-995 5252

Accountancy Appointments

Can we offer tax people a head start?



Right now you may be a manager, assistant manager, or supervisor. When you consider the immediate prospect of earning up to £30,000 and the opportunity for rapid development to Partner, it's hard to ignore the fact that you could well go further, faster, as one of our valued tax advisory team.

You'll be in an influential position, servicing your own group of clients. What's more, roughly 70% of your work will be tax and business consulting – an area providing interest and continuous intellectual challenge.

In terms of training, you'll find our commitment to your development is second to none. We devote time, effort and expense to meet your individual requirements.

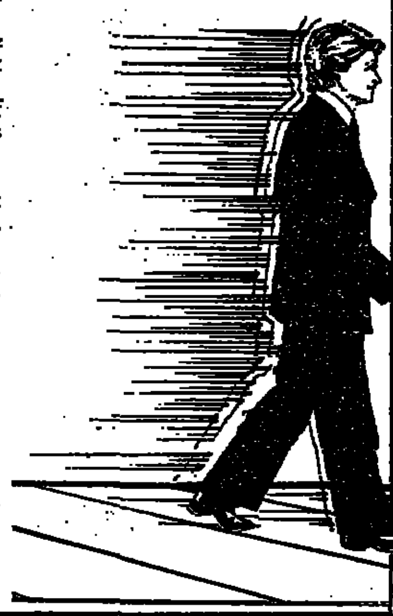
As for our requirements, we're looking for business-minded chartered accountants in their 20s and 30s, who are keen to work as part of a cohesive, friendly team constantly exchanging knowledge and ideas. You will be able to obtain the very best from your own ability and find real job satisfaction.

We believe that the opportunities in tax with Arthur Andersen are exceptional. Why not see for yourself by spending time with us, talking to a cross-section of our team.

As a first step to an opportunity that's not just better, but better by far, why not write to Faith Jenner, Divisional Personnel Manager – Tax, Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS, or call her on 01-438 3517.

ARTHUR ANDERSEN &CO

OFFICES IN ABERDEEN, BELFAST, BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, GLOUCESTER, LEEDS, LIVERPOOL, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, PRESTON AND READING.



Manager Financial Accounting

c£25,000 + Car & Banking Benefits

This is the Group Financial Accounting Management position in a major UK banking and financial services organisation. The manager will be responsible for UK and SEC statutory accounting, monthly management accounting and consolidation of short term forecasts. There is a small department of accountants and support staff to manage and there will be a need to take an active part as the user in specifying new computerised systems.

Applicants must be chartered accountants with relevant current experience of consolidations and financial accounting for a major international group. Banking/financial service experience would be a major advantage. A personal style which includes a positive attitude towards problems and sound management skills are essentials.

Age guideline 28-35. Location – City.

Please apply in confidence quoting ref: L221 to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7806

Mason & Nurse
Selection & Search

TRY

Financial Controller

EXCELLENT PROSPECTS — UXBRIDGE

W. S. Try (Holdings) Limited is a long-established construction group with an excellent reputation for its high standards. Following recent restructuring and the strengthening of its management team the group is well placed to continue the expansion and development of its well-established business base.

The need now is for an experienced Financial Controller whose initial task will be to spearhead the design and implementation of improvements to management information and control systems throughout the group.

We are looking for a commercially-orientated, qualified accountant who must be experienced in the preparation and interpretation of budgets, management and statutory accounts and in the implementation of information systems.

This is a key appointment in our head office team which will provide an opportunity to become involved in the commercial aspects of running the business. The appointment carries a good salary together with appropriate fringe benefits. Career prospects in this growing group of companies are excellent.

In the first instance please write, giving appropriate details in confidence, to:

The Company Secretary
W. S. TRY (HOLDINGS) LIMITED
High Street, Cowley, Uxbridge
Middlesex UB8 2AL

Company Secretary (Designate)

Circa £25,000 p.a. + Car

Retailing is one of the fastest-moving businesses in the world: its demands are considerable. A group of companies within the Sears organisation, one of the world's largest retailers, is now looking for a Company Secretary designate to replace the present incumbent who will be retiring in two years' time. The group includes such well-known names as Selfridges, Lewis's, Wallis and Miss Selfridge and is amongst the most successful retail organisations in the U.K. today.

Besides the usual legal and statutory matters, the Company Secretary is responsible for insurance, property leases, copyrights and trade marks, and is also involved with pension schemes and agreements with various concessionaires.

The successful candidate will be an experienced negotiator and a good manager, possessing sound business acumen combined with a sense of urgency, which is such a feature of the successful retailer.

Candidates should be over 30 years of age, legally qualified and should have commercial experience, preferably with a large retail group. The position is based at Selfridges, Oxford Street. The scope and seniority of this position will be reflected in an appropriate remuneration package.

Please apply to Mr R N Stephens, Managing Director, Selfridges Limited, 400 Oxford Street, London W1A 1AB.

Selfridges

THERE'S NO PLACE LIKE IT.

SELFRIDGES LTD., OXFORD STREET, LONDON W1A 1AB. TELEPHONE: 01-629 1234.

Assistant Taxation Manager

Solihull — UP TO £20,000 + CAR

3i provides long term investment capital as well as advice to businesses of all types. We usually become involved with our customers at critical points of change in the development of their business – perhaps at start up, major expansion or through management buyouts.

We have a vacancy for an Assistant Taxation Manager.

Candidates should be experienced in corporate tax compliance work including negotiating with Inspectors of Taxes. Some similar experience in the personal and VAT fields is also necessary.

Applicants must be capable of expanding the job so as to be able to assist in the tax planning of the Group's affairs and in providing advice to management.

If you are a qualified accountant with at least five years' corporate taxation experience (ideally within the financial sector) we would like to hear from you. Alternatively candidates may be members of the Institute of Taxation.

Our attractive financial sector package includes a company car, profit sharing, a concessionary mortgage scheme, free medical insurance and a non-contributory pension scheme.

Interested? Please contact Jo Dean, Personnel Manager on 021 704 5181 or 01-928 7822.

Investors in Industry plc,
91 Waterloo Road, London SE1 8XP.

3i

THE CREATIVE USE OF MONEY.

FINANCIAL CONTROLLER

CHESHIRE

c. £20,000 + car and benefits

We are a small rapidly expanding division of an international company distributing FMC products in the U.K. and Europe. Reporting to the General Manager and VP Finance, you will be a member of a young energetic management team. Responsibilities will cover all financial/management accounting and control systems development.

Ideally you should be aged 30-40 years, fully qualified and with the broad experience gained in an international industrial or distribution company.

Please send full career details together with C.V. and home telephone to FT Box No. A0059, Financial Times, 10 Cannon Street, London EC4P 4BY.

Interviews will be held in London week commencing March 3rd.

IPS GROUP

COMPANY ACCOUNTANT

for

REINSURANCE COMPANY

Salary circa £30,000 per annum plus benefits

Our clients, a well established and highly respected American Reinsurance Company are seeking to recruit a Company Accountant/Secretary for their new United Kingdom operation, based in London

The selected Chartered Accountant should have extensive practical experience of financial and management accounting, within an Insurance or Reinsurance environment and be capable of producing D.T.I. returns in accordance with Government Legislation.

In view of the executive status of this position, it is essential that the appointee has leadership and motivating qualities, be technically sound and have the ability to communicate at all levels.

A high salary package is envisaged for this exciting and challenging appointment. Age range approximately 32/45 years.

Please forward a Curriculum Vitae at the earliest opportunity and in strictest confidence to: Trevor James FECI, Chairman

INSURANCE PERSONNEL SELECTION LIMITED
Lloyds Avenue House 6 Lloyds Avenue London EC3N 3ES
Tel: 01-481 8111

IPS GROUP

VENTURE CAPITAL

INVESTMENT MONITORING AND REVIEW EXECUTIVE

Centreway Development Capital Limited a leading business expansion scheme issuing house provides finance for growing companies. Through the management of our business expansion schemes and prospectus offers for subscription, more than £5 million has been invested in the past 2 years. Our growth rate will take this figure above £10 million within the next year. We are now seeking to make a further key appointment to our management team.

Our performance and strength in the marketplace is based on commercial experience and professional expertise. The investment monitoring and review executive will become immediately involved as a post-investment specialist with a lively portfolio of BES companies. You will be joining the executive teams as our representative with a pro-active job remit. You will be demonstrably competent and capable of earning respect from a challenging peer group. Your experience will be both financial, you will be a qualified ACA, ACMA, ACCA or CIS and you will have had managerial responsibility. The position will be most suitable for someone living in the London or Thames Valley area. The remuneration package will be based around £18,000 per annum plus car and in addition, our executives participate in a profit related bonus scheme.

Write in confidence enclosing your C.V. to Roger Storey, Managing Director, CDC Limited, 87 Jermyn Street, London SW1Y 6JD.

Centreway Development Capital Limited

FINANCIAL and MANAGEMENT ACCOUNTANT

Our clients are a small but rapidly expanding company in the Cosmetics Industry and they require a qualified Accountant to be wholly responsible to the Directors for developing Financial and Management accountancy systems, budgeting control and cash forecasting.

Practical experience of introducing computer systems is essential.

Salary circa £17,000 p.a.

Write or telephone:

Dias, Postlethwaite & Co
Chartered Accountants
105/107 High Road, South Woodford
London E18 2TP
01-505 3355

Assistant to F.D.

European Advertising

Central London — £20–25,000 + car

This is a vital and challenging position within the European headquarters of one of the world's largest advertising groups.

The prime responsibility is to provide a link between the head office and the European agencies – coordinating their financial reporting, appraising performance and undertaking special projects including accounting assistance and advice. This will involve visits to these agencies to become fully conversant with their business.

Applicants should be qualified accountants, preferably aged late 20s with an adaptable approach, able to communicate effectively and establish a rapport at all levels in this fast moving and competitive business.

Salary is negotiable within the range indicated, depending on age and experience.

Please write with full career details and daytime telephone number to David Tod BSc FCA quoting ref D/392/BF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

CREATIVE ACCOUNTANTS Management Consultancy

CITY BASED

Negotiable Package

Hacker Young Management Consultancy is an expanding division of a successful, medium sized City based practice of Chartered Accountants. Fee income has doubled in two years and this rate of growth is planned to continue. Assignments are broadly based, often involving systems recommendations and implementation, feasibility studies, cost monitoring and control exercises, funding applications, and investigations for a wide variety of smaller entrepreneurial companies, larger industrial and commercial entities and the public sector. Clients are based predominantly in London and the South East.

Demand for our services has created the need for senior Management Consultants to join the team. You will be given full responsibility for a range of assignments commensurate with your background and experience. You will be given as much autonomy and responsibility as your abilities demonstrate you can take.

Prospects are excellent for successful performance.

You will be a qualified accountant, preferably a graduate and aged around 30. You will have a successful track record in consultancy and/or had practical experience of accounting and computer systems in different types and size of organisations. In addition to first class presentation skills, both personal and written, you must possess the experience and intellectual agility to deal creatively and practically with different situations, often at the same time. Essential personal attributes include professionalism, enthusiasm and the ability to set deadlines and achieve them.

To apply, please write enclosing personal, career and salary information to:

*Ian Tomisson, Manager – Recruitment,
Hacker Young Management Consultants,
St Alphage House, 2 Fore Street,
London EC2Y 5DH.*

Hacker Young
MANAGEMENT CONSULTANTS

Accountancy Appointments

ANTICIPATING CONSTANT CHANGE.

The addictive challenge of Management Consultancy.

TOUCHE ROSS has long been established as a substantial firm of chartered accountants, *but more recently it has also emerged as a major force in the management consultancy business.*

Last year alone, this aspect of our operation experienced a growth rate of around 50% and our ever increasing client list makes absorbing reading, embracing local and national government, multinational corporations, financial institutions and a multitude of small businesses.

The professionals that join us as Management Consultants reflect this unparalleled success and play their individual roles in helping solve often complex problems emanating from every aspect of business life.

Our interdependent teams are endowed with the intellectual prowess to negotiate the hurdles of strategic planning, feasibility studies, project appraisal and organisation studies. And in the Information Technology area they involve themselves with computer strategy, selection and systems studies.

It is an environment of constant challenge, change and achievement, where people committed to reaching the top of their profession develop and thrive along career paths already showing evidence *of strategic self direction.*

Our growth creates a continuous requirement for people with a good first degree and appropriate professional qualification in economics, accountancy, computing, industrial marketing, engineering or personnel. An excellent training programme allied to the wealth of knowledge already available from more experienced colleagues will help ensure your success. Exceptional men and women are progresssing to partnership in 3-4 years.

Salaries are open to negotiation and will not present a barrier. A company car is also provided. So, if you meet our profile, and would like to be based in London, Manchester or Glasgow, please write or telephone immediately and in absolute confidence to: Michael Hurton, (Ref. 2354), Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

Touche Ross
Management Consultants

Head of Insolvency
City based

We are a major firm of chartered accountants who, during the last two years, have successfully established corporate finance, investigations and management consultancy as separate specialist services. We are now setting up an insolvency practice and are seeking an outstanding practitioner with extensive receivership experience to head up this new function.

Applicants should:

- have experience of major assignments at a senior level
- be members of the Insolvency Practitioners' Association
- be highly regarded within the banking industry
- be of partnership calibre.

The remuneration package will reflect the importance of the appointment and will not be an obstacle to our attracting the right person.

Please write in strict confidence to Philip Forwood at 25 New Street Square, London EC4A 3LN, marking your envelope PERSONAL.

Clark Whitehill

ACCOUNTANCY APPOINTMENTS
appear every
THURSDAY
Rate £41 per
Single Column Centimetre
plus VAT
For further information call:
TREVOR PUNT
01-236 9763

FINANCIAL DIRECTOR DESIGNATE

Salary c. £30,000 plus

We are a Holding Company with successful operating subsidiaries. The development of the Group through an acquisition programme will be supported by an *application for a Full Listing.*

The successful applicant will report directly to, and work closely with, the main board, will be responsible for maintaining full control over the financial accounting and administrative functions, and must be able to co-ordinate with the Directors to plan for, and implement the strategy of the Group.

The candidate will be a qualified accountant, preferably FCA over the age of 30 years, who looks for a demanding position which will use to the full his knowledge of financial controls computing and taxation matters.

Interested applicants should write with a full C.V., in confidence, to:

The Directors
TRAVERWAY HOLDINGS LIMITED
Traverway House, 398 Seven Sisters Road
London N4 2LX

Papua New Guinea Electricity Commission

ASSISTANT CHIEF AUDITOR (EDP)

£16,230 (approx) + bonus + benefits

The Commission is a commercial statutory authority responsible for the generation and distribution of power on a nationwide basis. The headquarters are located in Port Moresby and field operations are administered through 25 regional offices.

A Midas software package is currently being installed on an ICL 2958 mainframe to support the headquarters accounting and information systems. Regional operations are also being converted to online processing.

The person appointed to this position will head a newly created EDP audit function and will be responsible for the development of the EDP audit activity within the Commission. Applicants should be qualified accountants with at least three years computer audit experience although applications from holders of recognised computer qualifications will also be welcomed.

Benefits of this position include:

- Subsidised furnished accommodation.
- Six weeks recreation leave per annum.
- Return air fares to place of recruitment every 18 months.
- Settling in allowance.
- 24% annual bonus taxed at 2% flat.

All salaries and allowances are paid in Papua New Guinea Kina (the exchange rate is approximately K1 = 70p).

Applications in writing, giving full details of personal particulars, qualifications and work experience and a passport sized photograph should be forwarded to:

Overseas Staff Section, Papua New Guinea Electricity Commission, P.O. Box 1105, Boroko, Papua New Guinea.

Closing date for receipt of applications is 13th March 1986.

Young Financial Accountant

MANNESMANN
ENGINEERS & CONTRACTORS

Hammersmith **to £18,000**

Mannesmann Engineers & Contractors Limited are the UK subsidiary of one of the world's largest engineering conglomerates. They are expanding their activities in the environmental engineering and process fields. They need a young Financial Accountant who, reporting to the Managing Director, will provide the full finance function for the company. Responsibilities will include *financial and management* accounts, cost analysis, W.I.P., budgeting, forecasting and credit analysis/control.

Applicants will ideally be aged under 32, ACMA/ACCA with experience in project and contract accounting. The company offers a full range of benefits and a clearly identified career path.

Candidates should, in the first instance, write in confidence enclosing CV to Nigel Lilley at CKL Management Services Limited, 299 Oxford Street, London W1R 1LA.

GROUP FINANCE DIRECTOR
QUALITY CONTROL EQUIPMENT

SOUTH COAST **c.£25,000+**

Following a Management Buy Out and the *Private Placing* of this new PLC, we have a vacancy for a Finance Director/Company Secretary.

We design, manufacture and sell world wide a range of sophisticated electronic equipment which is used in industry, research and education. Our turnover is over *£6m*, we are profitable and strong growth is planned.

We employ 200 in the UK and 20 in overseas sales subsidiaries.

We wish to strengthen the team with the appointment of an FCA who has had at least 5 *years at the sharp end of management* accounting and systems *development in an engineering exporting* environment.

He/she will probably be aged between 28-35 and possess well developed analytical and commercial faculties *in order to play an active role in our progression to an early listing.*

Apply in confidence to:
Michael Love, Managing Director
LLOYD INTERNATIONAL PLC
1 Brook Avenue, Warsash, Southampton S03 6HP

Exceptional Accountant

London **up to £26,000 plus car**

We are an expanding firm of management consultants associated with a leading accountancy practice. We have an outstanding ground floor opportunity for an exceptional accountant to be associated with our growth.

Our consultants work with their clients in government, commerce and industry to implement practical solutions to a wide range of business problems, working alongside consultants of other disciplines.

If you seek a stimulating environment and have:

- an accountancy qualification or MBA
- management or management consulting experience
- experience of designing and implementing computer based systems

– please write in confidence to Robin Gorringe, Managing Director, Clark Whitehill Consultants Limited, 25 New Street Square, London EC4A 3LN.

Clark Whitehill Consultants

FINANCIAL CONTROLLER
with Directorship potential

N W Kent **£20,000 + Car + generous profit share**

A £20 million turnover group which intends to double its sales in the next five years seeks a senior financial executive to strengthen its management team at this key stage in its development. Starting 12 years ago in petrol retailing, the group has developed into tyre retailing/exhaust fitting, new/used car sales and the sale, installation and maintenance of car wash systems.

The Financial Controller will be expected to improve the timeliness and quality of financial and management accounts, introduce improved computer systems and appraise proposed new business ventures.

Applicants, qualified accountants preferably aged 35-45, must combine broad financial experience in a small business with proven managerial ability and commercial flair. Practical D.P. experience is vital whilst a background in retailing or a similar environment would be an advantage but is not essential.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2361 to G.J. Perkins, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Financial Accounting
Reporting and Payroll
to £17,500 negotiable

Scholl (UK) is a global organisation which is a brand leader in the footcare and suncare markets. Continued profitability and expanding product ranges are the background to this management opportunity in the General Accounting and Payroll Department.

Based at our London Headquarters, you will be responsible for all financial reporting to management and the US office. As Manager, you will supervise and motivate a team of 8 staff which is also responsible for government returns, payroll and control of the General Ledger.

This is very much a development role and so you must demonstrate the potential and initiative to achieve results. Aged 26-35, you should be a qualified accountant with management ability and preferably computerised accounting experience.

The competitive salary is complemented by an attractive large-company benefits package.

To apply, please send full career details to Janet MacGregor, Senior Personnel Officer, Scholl (UK), 182-204 St John Street, London EC1P 1DH. Tel: 01-253 2030.

Scholl

NEWLY QUALIFIED

ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We propose to publish the list in our issue of Thursday, March 6, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The *advertising rate* will be £41.00 per single column centimetre. Special positions are available by arrangement at premium rates of £49.00 per scc.

Newly qualified Chartered Accountants are never easy to recruit—do not miss this opportunity. We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the Guide will be charged at £60.00 which will include company name, address and telephone number.

For further details please telephone:
LOUISE HUNTER on 01-248 4864
or TREVOR PUNT on 01-236 9763

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Accountancy Appointments

Financial Controller

Opportunity for young A.C.A.

North West **c£20,000 + car**

Our client is a highly profitable and successful, marketing-orientated PLC, engaged in the manufacture of a range of consumer products for the retail sector.

The company now seeks a **graduate chartered accountant** to join their major UK manufacturing subsidiary as **Financial Controller.** Taking responsibility for the day-to-day financial and management reporting together with market related projects and analysis, appropriate candidates (age range 26-32) are likely to be seeking a first move from public practice or may have already gained industrial experience.

The successful candidate will show a sound career progression and display above average communicative skills, technical ability and leadership potential. As this is viewed as a development role within the company career prospects are considered excellent.

Relocation facilities are available where appropriate. Interested applicants should contact **Timothy Jury ACA**, quoting reference **7031/F** on **061-228 0396** or write to **Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ.**

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

GROUP FINANCIAL CONTROLLER

A STIMULATING ENVIRONMENT FOR A HIGH CALIBRE ACCOUNTANT

Romford/City **c.£40,000 + Car**

The Save & Prosper Group is one of the market leaders in the Financial Services industry specialising in Unit Trust management, Unit-linked life insurance and cash management, both in the U.K. and internationally.

A first class opportunity has arisen for an exceptional accountant to take charge of the Group's financial affairs including setting accounting policies, financial control, forecasts and budgets, taxation, and the provision and control of funds.

Reporting to the Chief Executive, you will manage a department of approximately 70 staff with three senior Divisional Accountants and a Taxation Manager reporting directly to you.

To fill this demanding role you will need to be a qualified accountant who can demonstrate successful experience at a similar level in your current organisation and preferably have had experience within the Life insurance industry. The personality to communicate at all levels within the Group is, of course, a prerequisite for this position.

SAVE & PROSPER
Growth through understanding

Please apply to Alex Holmes, Head of Personnel, Save & Prosper Group Ltd., Hexagon House, Western Road, Romford. Tel: Romford (0708) 66966. (Interviews will be held in London or Romford).

Financial Controller

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday February 20 1986

Fermenta price plunges further

By Kevin Done in Stockholm

THE FERMENTA share price continued its free fall for the second day on the Stockholm Stock Exchange yesterday amid trading that one broker described as "hectic to hysterical."

The price of the biotechnology and chemicals group's B-free shares plunged by SKr 57 ($7.70), an even larger fall than on Tuesday when the price dropped by SKr 46.

Fermenta's share price has now more than halved in less than a week after disclosures by Mr Refaat El-Sayed, the Fermenta majority owner, that he had lied to investors about his academic qualifications. On Monday he gave up his post as chief executive and became full-time deputy chairman, to stem the crisis of confidence in the company.

The Fermenta B-free shares, which can be bought by foreign investors, closed yesterday at SKr 144 compared with a closing price of SKr 201 on Tuesday, SKr 299 a week ago and a peak in mid-January of SKr 325. The B-restricted shares, which fell most heavily on Tuesday to SKr 189, also closed yesterday at SKr 144.

The turmoil that has erupted around Fermenta in recent days and the plunge in its share price is also delaying progress on the company's SKr 3.23bn bid for Sonessons. The bid is part of a series of deals – originally backed wholeheartedly by Volvo, the Swedish automotive group, which has a substantial stake in Sonessons aimed at giving Fermenta the lead role in its sector.

The Fermenta prospectus for the Sonessons bid was due to be published by February 28, but Mr Lars Nyberg, executive vice president and head of investment banking at Svenska Handelsbanken, Fermenta's investment banker, said the timetable had still not been settled. The prospectus would probably not be released until after Easter, he said.

The Swedish bank inspectorate said yesterday that it is to investigate the information memorandum issued by Fermenta in London last July in connection with its SKr 210m private placement led by Svenska International, the London subsidiary of Svenska Handelsbanken. The memorandum included the claims by Mr El-Sayed to a PhD in microbiology, since admitted to be false.

Fermenta yesterday clarified the financial report it issued on Monday and stated that, of its preliminary profits (after financial items) for 1985, totalling SKr 320m, some SKr 60m was attributable to minority interests. Profits after financial items in 1984 totalled SKr 82m.

Valeo plans truck division sale to Rockwell International

BY PAUL BETTS IN PARIS

VALEO, the French motor-components group, is selling its loss-making truck and heavy-duty-vehicle axle businesses to Rockwell International, the US aerospace, car-components and electronics concern.

The move will virtually complete Valeo's recent sweeping restructuring efforts involving, among other moves, the shedding of unprofitable operations and the recentring of activities on Valeo's core car-components business.

Valeo said last night it had signed a preliminary sale agreement with Rockwell, which will buy the axle businesses of the French company's Soma subsidiary. Those operations lost about FFr 150m ($21.18m) last year. Valeo said details of the transaction would be released next April when the deal is completed.

Mr André Boisson, Valeo chairman, also said last night that the French group was expected to report another net loss of about FFr 100m in 1985, reflecting the heavy cost of restructuring the group's operations.

However, operating earnings are expected to total more than FFr 200m in 1985. Valeo had a net group loss of FFr 147m in 1984.

But Mr Boisson forecast that Valeo would return to profit this year, with expected earnings of between FFr 150m and FFr 200m. Sales last year totalled FFr 11.4bn.

Valeo is also planning to raise fresh funds through a new shares issue. Company officials indicated that Valeo, with about 4m shares outstanding, was envisaging issuing about 1m new shares. That would raise about FFr 600m at present market prices.

Porsche quietly confident

BY JOHN DAVIES IN STUTTGART

PORSCHE, the West German sports car maker, made a strong start to its current financial year and is confident of making a "decent" profit despite the recent decline in the value of the US dollar. Porsche lifted sales revenue to DM 1.82bn ($777m) in the six months to the end of January – the first half of its financial year – an increase of 33 per cent on the corresponding period a year earlier.

However, Mr Heinz Branitzki, the finance chief, cautioned that the company could not keep up such a growth rate for the whole financial year, now that the dollar had lost value in terms of the D-Mark. The company's sales target for this financial year was DM 3.5bn, compared with sales revenue of DM 3.17bn in 1984-85, he said.

After having expanded production, Porsche was able to sell 26,400 cars in the first half-year, 19 per cent more than in the same period a year ago. The number sold in West Germany was down 4 per cent, but sales were up 21 per cent in the US and up 40 per cent in the rest of the world.

Porsche executives declined to give details of their profit expectations now that the dollar has fallen, but said the result this financial year would be one of which the company "would not be ashamed."

The lower dollar will tend to reduce Porsche's US earnings in terms of D-Marks, but the company plans to lift US sales by 16 per cent to about 29,000 cars. It has also increased the dollar price of cars this month and plans further unspecified price rises in the US.

Porsche lifted net profit by 30 per cent to a record DM 120.4m in its financial year to July 31. This is the fourth year in succession that Porsche has enjoyed a sharp increase in profit.

It has already been disclosed that the company is increasing its payout to shareholders for last financial year by adding a DM 2.50 bonus per share to an unchanged basic dividend. Including the bonus, holders of the stock-exchange listed preference shares will receive a total payout of DM 18.50 a share. Ordinary shareholders, who are all members of the Porsche and Piech families, will receive a total payout of DM 17.50 a share.

The payout will take up only DM 25.2m of Porsche's net profit. The rest will be used to strengthen the company's reserves and boost investment.

Coca-Cola market share at record

By William Hall in New York

COCA-COLA, the US soft-drinks giant, which was forced to relaunch its main brand last summer after a passionate outcry by consumers who did not like the taste of the company's new product, yesterday reported a 9 per cent increase in 1985 net income from continuing operations to $677.6m, or $5.17 a share.

Mr Robert C. Goizueta, Coca-Cola's chief executive, said the company ended the year with the highest domestic and international soft-drink market share in the company's history. He also noted that the return on average shareholders' equity of 23.5 per cent was the highest for 15 years.

After income from discontinued operations of $44.7m, final net profits were $722.3m, or $5.51 a share, last year compared with $628.8m or $4.76, in 1984.

The company says that much of the improvement reflected higher non-operating income, a reduction in the effective tax rate and fewer shares outstanding.

Fourth-quarter net income jumped from $130.5m, or $1 a share, to $189.4m, or $1.45. Revenues rose from $1.72bn to $2.1bn, and from $7.15bn to $7.9bn for the year.

Operating income from all soft drink operations increased slightly in 1985 "despite significant marketing investments in the US and the effects of the strong dollar." In addition, Coca-Cola benefited from a 33 per cent increase in the operating income of its entertainment operations, primarily resulting from very successful television syndication.

The group's US soft drinks volume rose by 9 per cent in 1985, nearly double the US industry rate. Coca-Cola is facing a fierce challenge from its close competitor, PepsiCo, and as a result has had to make significant marketing investments, primarily for rapid national product introductions.

CANADIAN MINE GROUP OUTLINES STRATEGY

Rio Algom looks ahead

BY BERNARD SIMON IN TORONTO

JUST four days before the London Metal Exchange (LME) tin crisis broke last October, the Canadian mining group Rio Algom brought North America's first primary tin mine into production at East Kemptville, Nova Scotia.

That unfortunate coincidence has delayed the shipment of concentrates from the mine by undermining the LME-based pricing mechanism agreed earlier with its British customer. The prospect of lower tin prices also makes East Kemptville the latest in a series of question marks hanging over the immediate outlook for Rio Algom, a 53 per cent-owned subsidiary of Britain's Rio Tinto-Zinc (RTZ).

By carefully husbanding its resources Rio Algom has won a reputation over the past three to four years as one of North America's best-managed and most financially stable mining companies. Mr Henk Reimer, mining analyst at the securities firm Loewen Ondaatje McCoutcheon, said: "When everyone else was acquiring they thought prices weren't right."

More recently, however, Rio Algom has begun to spread its wings more assertively. In a recent talk to investment analysts, Mr George Albino, chairman, listed diversification, new mining ventures and industrial acquisition among the company's planning priorities.

The new tin mine and an investment in potash are among the products of these plans. While Mr Albino is satisfied that these ventures meet Rio Algom's strategic objectives, they have unsettled the investment community. Mr Thomas Komlos, analyst at Dean Witter Reynolds Canada, said an investment in Rio Algom had become "a bit of a gamble."

Unlike many other North American mining groups Rio Algom has remained profitable and maintained a respectable balance sheet in the face of low metal prices. Net income has soared from a low of C$17.8m (US$12.75m) in 1982 to C$ 73.9m in 1984. Last year's profits, due to be published later this month, are likely to be about C$90m, giving a return on shareholders' equity well into double digits.

Rio Algom's stability has been largely due to its lucrative long-term uranium contracts with the Ontario power utility, Ontario Hydro. Uranium, produced at four mines in northern Ontario and Utah, contributed 32 per cent of total sales in 1984, but more than 70 per cent of operating earnings.

More recently, the company has benefited from its 68 per cent interest in Lornex Mining of Vancouver, whose copper operations are among the few in North American to have remained profitable for the past three years.

Lornex agreed last month to pool its copper mine and mill in British Columbia's highland valley with a higher grade mine in the same area owned by Cominco. The combined facility will be one of the world's largest copper producers, with an annual output of 400m lbs (181m kg) of copper concentrate, as well as significant amounts of silver, gold and molybdenum.

According to one analyst, break-even costs will be less than 50 cents a pound of copper.

Rio Algom's stainless and special steels division, Atlas Steels, is also expected to be profitable this year after strikes and fierce price-cutting pushed it into the red in 1985.

On the other hand, some of the company's new ventures show less promise for 1986. Rio Algom has called off development of the Cerro Colorado copper property in Chile after the withdrawal earlier this month of its prospective partner, the Finnish metals group, Outokumpu.

The Finnish Government was unwilling to help to finance Outokumpu's 25 per cent share of the project in the face of strong political pressure, mainly from trade unions.

According to Mr Albino, the East Kemptville tin mine can recover its cash costs at current market prices of £5,500 ($7,964) to £6,000 a tonne. He declined to reveal precise costs, but insisted: "We won't go under."

East Kemptville's immediate problem is to negotiate prices with its sole customer, the British metals refiner Capper Pass, which is also an RTZ subsidiary. Mr Albino hopes the first trial container load of East Kemptville concentrate will be sh ipped before the end of February.

A longer-term concern is the mine's debt, totalling C$152m. Rio Algom's direct contribution is limited to C$30m – "less than half a year's earnings," Mr Albino points out. The rest is made up of bank loans which are without recourse to the parent company.

The other shadow over Rio Algom is its purchase last month of an 88 per cent interest in Potash Company of America, (PCA), which owns two mines in Saskatchewan and New Brunswick. The apparently low purchase price of US$9.3m needs to be seen against the background of the weak potash market, serious operating difficulties at the Sussex mine in New Brunswick and PCA's substantial debt.

Rio Algom has already begun a C$28m "rectification programme" to bring the mine to its capacity of 700,000 tonnes a year, including a modified mining plan and construction of an underground disposal area for salt tailings. The mine manager has been replaced and a new production manager has been brought in from Rio Algom's uranium division.

PCA plans to borrow up to C$190m to repay its existing debt and to finance the Sussex mine improvements. Mr Albino said most of this would be in the form of non-recourse loans and that "none of (Rio Algom's) financial integrity is being impinged upon."

Irritated by securities analysts' preoccupation with quarterly financial results, Mr Albino said: "We did not buy PCA to contribute to near-term earnings. We bought it as a long-term asset."

Volvo claims victory

BY OUR NORDIC CORRESPONDENT

VOLVO, the Swedish automotive, energy and food group, said yesterday that it had gained control of more than 90 per cent of the shares in Cardo, the Swedish investment and industrial holding group after a three-month takeover battle, one of the few hostile takeovers seen in Sweden.

Volvo had bid SKr 3.5bn ($473m) for the outstanding 77.1 per cent of Cardo it did not already own and for the outstanding 17.1 per cent of Hilleshog, the Cardo subsidiary.

Volvo is to merge Cardo's industrial operations – the Swedish Sugar Company; Hilleshog, the seeds and plant breeding company; and Weibulls, the garden seeds company – with its Provendor food division, creating a new unit with annual sales of about SKr 8bn.

The deal takes Volvo further into the biotechnology sector through the advanced plant-breeding activities of Hilleshog as well as the small Cardo subsidiary AC Biotechnics, which specialises in production technology for speciality chemicals and waste-water treatment.

Cardo's equity portfolio is to be hived off into a separate investment company, Investment AB Cardo, which is to be sold back to existing Cardo shareholders with Volvo maintaining a minority stake of around 20 per cent.

Volvo said it would now apply for the compulsory purchase of outstanding Cardo and Hilleshog shares. Payment for shares already offered would be during March.

ENI sees best profit of $490m

By James Buxton in Rome

ENI, the Italian state energy corporation, said yesterday that it made a consolidated net profit of more than L800bn ($490m) in 1985, the highest profit in absolute terms the group has recorded.

The company, which has interests ranging from oil exploration and distribution to chemicals and textiles, said its sales were static last year, compared with 1984, when they totalled L45,348bn. Operating profit was put at more than L3,500bn, compared with L2,798bn in 1984.

Three quarters of ENI's activities are in energy supply.

ENI lost about L3,000bn in the two-year period 1982-83, but brought its net loss down to L88bn in 1984. Yesterday it reinstated its 1984 loss at L64bn.

ENI, which disclosed its preliminary results in a letter from Mr Franco Reviglio, the chairman, to Mr Clelio Darida, the Minister of State Shareholdings, who is ultimately responsible for the company, said it was basing its results on the same criteria of depreciation and other provisions as it has used in the past. In addition it had set aside a further L390bn in refining and coal.

ENI said it had improved its operating results in energy supply and refining, through investment in refining and flexibility in crude oil sourcing.

The group said it had registered an improvement of about L500bn in its results through lower borrowing charges and reduced exchange-rate losses.

Amro lifts net profit and boosts dividend

By Laura Raun in Amsterdam

AMSTERDAM-Rotterdam Bank (Amro), the second-largest Dutch commercial bank, lifted its net profit nearly 35 per cent to Fl 340m ($7.08m) in 1985 and raised its dividend.

A smaller contribution to loan-loss reserves contributed largely to the sharp jump in earnings, with provisions falling 5.4 per cent to Fl 875m. The continuing improvement in the economic climate has allowed lower bad-loan provisions for the past two years.

Total income rose 6.9 per cent to Fl 3.59bn with interest income edging up 3.1 per cent and commission income up 10.1 per cent. Buoyant financial markets helped lift commissions but lending to the private and corporate sectors remained sluggish.

The consolidation of European Banking Company of London (EBC) accounted for the biggest increase in income.

Harvester income drops

BY OUR NEW YORK STAFF

INTERNATIONAL HARVESTER, biggest US heavy truck manufacturer – which is scheduled to change its name to Navistar International today – has reported a 36 per cent drop in net income from continuing operations to $14m in the first quarter of its current financial year.

The company, which came near to bankruptcy four years ago, says the figures include a $9m provision for estimated repair and replacement costs associated with its recently announced recall of 134,000 medium-duty trucks and school buses.

The group earned 8 cents a share from continuing operations in the three months to end January 1986, compared with 14 cents a share in the comparable quarter last year. Adding in extraordinary income of $14m in the latest period, IH's first quarter net income totalled $28m, or 18 cents a share.

A year ago the group reported a $576m loss from discontinued operations. After an extraordinary gain of $20m, the group reported a net loss of $534m last year.

Hewlett earnings drop

BY OUR FINANCIAL STAFF

HEWLETT-PACKARD, the California-based manufacturer of minicomputers and electronic instruments, yesterday reported a 6 per cent fall in first-quarter net earnings from $116m, or 45 cents a share, to $109m, or 43 cents.

While the latest earnings are down from the levels reached in the 1983-84 fiscal year they match those of the year ended October 1985.

Revenues in the latest quarter rose 4 per cent to $1.6bn, with domestic sales and service revenue up 4 per cent to $916m and international sales up 5 per cent to $681m.

The company said incoming orders in the first quarter rose 1 per cent to $1.71bn.

● IBM Australia, wholly-owned by the US computer group, lifted 1985 net profits by 6.7 per cent from A$76.8m (US$54.4m) to A$81.9m, while gross income rose from A$683.2m to $904.4m.

Phibro-Salomon results strong

By Terry Byland in New York

PHIBRO-SALOMON, the New York-based international securities and commodities trader rounded off another record earnings year with a strong performance in the final quarter. Mr John Gutfreund, chairman and chief executive said all group operations made "significant contribution" to a 28 per cent gain to $557m in net earnings, before counting in the special charges incurred in 1984.

The fourth quarter brought a 40 per cent jump to $132m in net earnings, once again before the special charges in the previous year. The final quarter bore a charge of $54m pre-tax for the restructuring of Philipp Brothers' non-energy commodities business. The commodities divisions have been cut back heavily as Salomon Bros securities operations have emerged as the dominant part of the group, formed five years ago when Phibro merged with Salomon. Reflecting this, the group will soon be renamed Salomon Inc.

Phibro Energy, benefiting from the volatility of the crude oil market, reported record earnings in the 1985 final quarter.

Strong final quarter boosts Aetna

BY WILLIAM HALL IN NEW YORK

AETNA Life & Casualty, the biggest stockholder-owned insurance company in the US, yesterday underlined the rapid recovery in the fortunes of the sector by reporting a 135 per cent increase in its 1985 operating earnings to $430m.

After deducting $58.5m of investment losses, Aetna's net income in 1985 totalled $371.7m or $3.28 a share, before a $4.0m extraordinary item. This compares with $127.7m, or $1.04, in 1984.

Aetna's performance was helped by a particularly strong final quarter, with operating earnings rising from $33.3m in the final quarter of 1984 to $181.6m in the latest three months. Net income over the same period rose from $75.8m to $146.8m, or $1.29 per share.

Mr James T. Lynn, Aetna's chairman, says the "down-cycle" in Aetna's property and casualty business "has clearly turned round, but we still have a substantial way to go to achieve reasonable earnings for the risks assumed."

Touching on a recurring theme of many leaders in the US insurance business, Mr Lynn said yesterday that Aetna's ability to serve the public's insurance needs at reasonable prices is "dependent upon basic changes in our civil justice system." Recent increases in the number and size of jury awards in liability suits in the US have led insurers to sharply increasing their rates for coverage or decline to offer coverage in some instances.

"We must continue to urge society to deal with the lawsuit crisis in the interests of claimants and premium payers alike," Mr Lynn said.

Aetna's assets increased 14 per cent in 1985 to $58.3bn, and shareholders' equity rose by 7.2 per cent to the equivalent of $41.52 a share.

Aetna's employee benefit earnings rose 11.3 per cent to $324m in 1985. Personal financial security earnings totalled $139m last year compared with $150m in 1984 when the figures were boosted by a $45m one-time tax benefit.

Commercial insurance earned $24m in 1985 compared with a $84m loss in 1984. In the final quarter of 1985 this side of Aetna's business earned $39m. Premium volume rose 26 per cent in 1985.

This announcement appears as a matter of record only.

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January, 1986

Chase Investment Bank

Special charges put Kodak into deficit

BY PAUL TAYLOR IN NEW YORK

EASTMAN KODAK plunged into loss in the final quarter while 1985 full-year net profits dropped by 64 per cent to $332m, as reported in some editions yesterday.

The world's largest photographic products group reeled under the impact of a series of special charges totalling $563m. Those mostly reflect its forced withdrawal from the instant-photography business.

Even excluding these special charges, however, full-year profits – battered by fierce competition, flat sales, spiralling costs and adverse currency exchange rates – fell by 31 per cent. In an effort to reverse the decline, Kodak last week announced sweeping job cuts worldwide and other measures designed to contain costs – foreshadowing yesterday's disappointing results.

In sharp contrast, Polaroid – Kodak's arch-rival in the instant photography market, whose court-room patent-suit victory forced Kodak to quit the business last month – reported much higher fourth-quarter and full-year net earnings.

Kodak's full-year net earnings, equivalent to $1.46 a share, compared with 1984 net earnings of $923m, or $3.80 a share, on flat sales of $10.63bn. The group, based in Rochester, New York, blamed the flat sales on the combined effects of pressure on selling prices and the adverse impact of exchange rates.

Pre-tax earnings from operations fell by 64 per cent to $561m from $1.55bn in 1984. Excluding the special charges – which included $494m to cover the withdrawal from the instant-photography market and costs incurred in plant closures in France and the US – earnings from operations would have been $1.12bn, down 27 per cent.

Much of the sharp decline in 1985 earnings is attributable to the disastrous fourth quarter, when Kodak posted a pre-tax operating loss of $376m, after unusual charges totalling $551m, and a net loss of $194m, or 85 cents a share, compared with operating earnings of $310m and net earnings of $204m, or 87 cents, in the 1984 period. Sales increased by 2 per cent to $2.82bn in the final quarter, up from $2.75bn a year ago.

At Polaroid, fourth-quarter net earnings more than doubled to $26m, or 84 cents a share, from $10.3m, or 33 cents. Sales grew by 13 per cent to $427.2m from $376.8m. International sales were 17 per cent ahead, spurred by the weaker dollar and high unit volume instant camera sales.

Northrop up 29% despite decline in fourth quarter

BY TERRY DODSWORTH IN NEW YORK

NORTHROP, the US military aerospace group, achieved a 29 per cent increase in net earnings last year despite a sharp decline in profits in the fourth quarter and further heavy expenditure on its troubled Tigershark tactical-fighter programme.

Net income for 1985 rose to $214.4m, or $4.63 a share, from $166.9m, or $3.63, while sales rose 37 per cent to $5.1bn from $3.7bn.

In the fourth quarter, however, the company suffered a setback as earnings dipped by 48 per cent to $29.2m, or 63 cents a share, from $56.2m, or $1.22, in spite of a 34 per cent increase in sales to $1.5bn from $1.1bn.

Northrop said the fourth-quarter decrease resulted mainly from lower operating profit in aircraft as deliveries of F-5 fighters declined by half from the same period last year.

At the same time, Northrop increased expenditure on the controversial F-20 Tigershark tactical-fighter project, which it is pursuing independently, in spite of the lack of supporting government contracts and losses of test aircraft last year.

In 1985, total expenditure on the Tigershark was $189m, of which $58.7m was incurred in the final quarter. A little over $46m, however, was recovered during the year from insurance claims on the new fighter project, leaving net outlays of $143m.

Malayan Banking Berhad

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The interest payment date will be 20th May 1986. Payment, which will amount to US $5,060.33 per Certificate, will be made against the relative Certificate.

Agent Bank
Bank of America International Limited

Takeover bid for Sheller-Globe

BY OUR FINANCIAL STAFF

SHELLER-GLOBE, the Ohio-based manufacturer of vehicle parts and office products, yesterday acknowledged that it was the subject of a takeover bid from General Felt Industries, a New Jersey-based carpet manufacturer.

General Felt, which three years ago attempted unsuccessfully to take over the Sotheby's auction house, last week offered $43 a share in cash and securities for the company, valuing it at $430m. The bid has now been raised to $46.50 a share.

Profits at Sheller-Globe have been recovering since a low point of $2.1m in fiscal 1980, and reached $34.8m in the year to September 1984.

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US $50 million

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For the three months 20th February 1986 to 20th May 1986, the Notes will carry a Rate of Interest of 8¼ per cent. per annum with a Coupon Amount of US $ 101-98

CHEMICAL BANK INTERNATIONAL LIMITED
Agent Bank

U.S. $250,000,000

J. P. Morgan International Finance N.V.

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For the three months 20 February, 1986 to 20 May, 1986 the Notes will carry an interest rate of 8 9/16 per cent. per annum.

Interest payable on the relevant interest payment date, 20 May, 1986 against Coupon No. 16 will be U.S.$202-41

By: CITIBANK, N.A., London
Agent Bank

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on 18th February 1986 U.S. $119.58

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE FEBRUARY 14, 1986

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	10.046	0.119	12.260	10.017
Australian Dollar	14.413	−0.324	14.630	12.600
Canadian Dollar	11.623	−0.120	13.190	11.074
Euroguilder	6.222	−0.081	7.790	6.084
Euro Currency Unit	9.484	−0.011	10.330	9.190
Yen	6.881	−0.390	7.480	6.690
Sterling	11.496	−0.197	11.932	10.770
Deutschemark	6.740	−0.252	7.830	6.742

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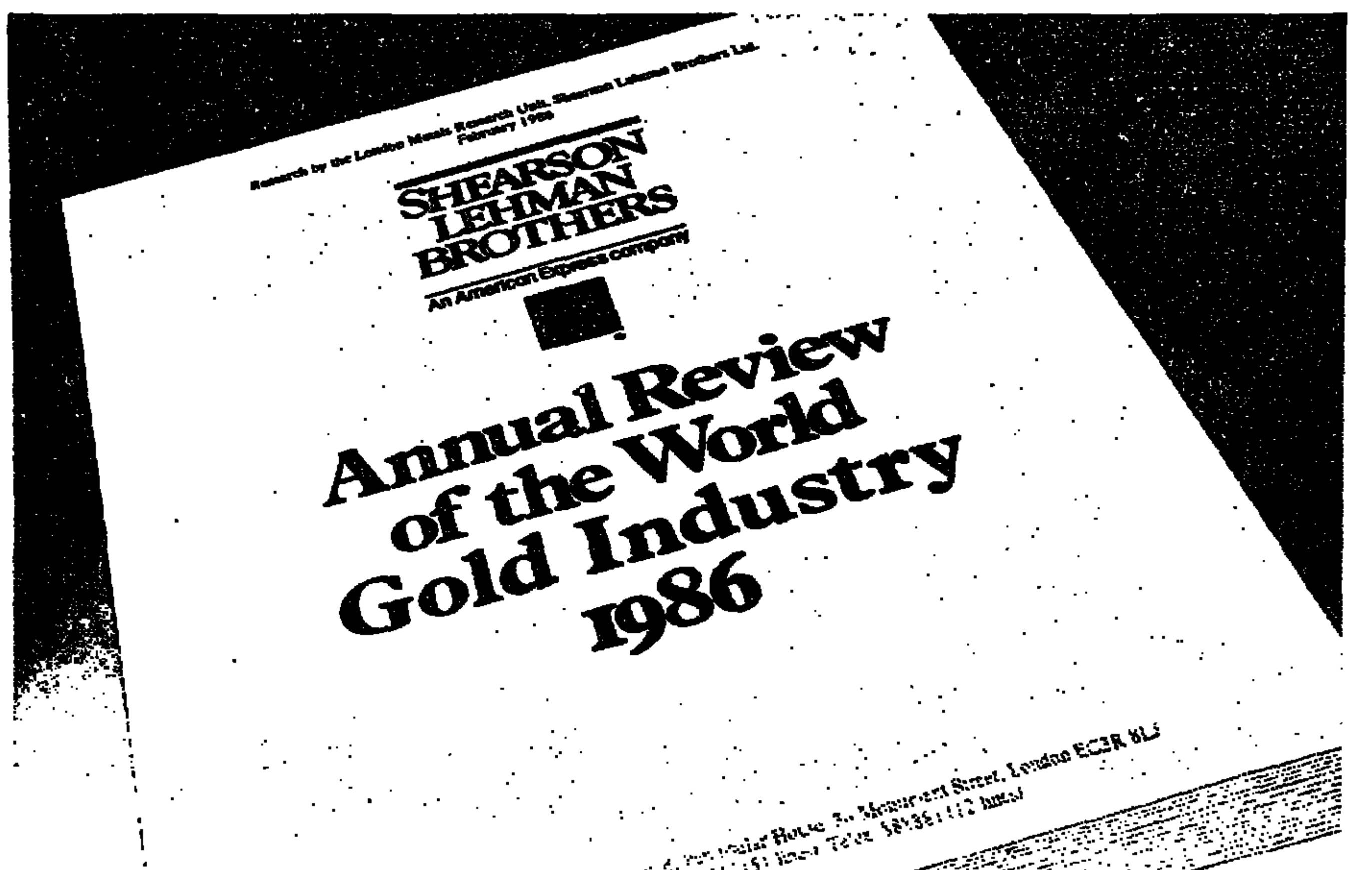

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Interest will be payable annually in arrear on 5th March of each year, beginning on 5th March, 1987.

Particulars of the Notes and the Province of Saskatchewan are available in the statistical service of Extel Statistical Services Limited and copies may be obtained during usual business hours up to and including 22nd February, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 6th March, 1986 from:

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20th February, 1986

Elders IXL lifts dividend as first-half profits soar

BY MARTIN DICKSON

ELDERS XL, the aggressive Australian brewing, trading and agricultural group, yesterday reported a 31 per cent increase in interim attributable net profits. It also revealed that a 2.5 per cent stake in the group has been built up by Adelaide Steamship (Adsteam), another expansionst Australian conglomerate.

Profits attributable to ordinary shareholders totalled A$57.27m (US$40.9m) in the six months to December 31, against A$43.68m in the same period of 1984, on turnover up 17 per cent from A$3.28bn to A$3.84bn. The interim dividend is 10 cents a share, 25 per cent up on the 8 cents last time, as adjusted for a bonus issue.

Elders is making an ambitious £1.8bn (A$3.65bn) takeover bid for Allied-Lyons, the British food and drinks group, which is being investigated by the UK Monopolies Commission.

Mr John Elliott, Elders' chairman, told a news conference in London yesterday that his company still intended to pursue the bid and was confident of gaining Monopolies Commission clearance.

He disclosed that a search of the Elders' share register last week had shown a 2.5 per cent stake held by Adsteam.

There has been speculation in Australia that Mr John Spalvins, chairman of Adsteam, might launch a bid for Elders. Mr Elliott said he had had no talks with Mr Spalvins and did not know his intentions, but he was "perfectly relaxed" about the holding.

Sir Derek Holden-Brown, chairman of Allied-Lyons, said that his company had not bought any shares in Elders and was not helping anyone who was. "We will not do so, because we do not consider it to be in any way a worthwhile investment," he added.

Elders' interim figures show pre-tax profits of A$73.79m (A$52.27m) and an A$11.56m tax charge (A$8.15m). There are A$2.46m of extraordinary profits (nil last time). Earnings per share are 17.8 cents against 13.5 cents.

But the company said the same rate of profit increase could not be expected in the second half because of continuing high interest rates and difficulties being experienced in the Australian rural economy. "The cost of supporting the Australian dollar by high interest rates is bearing down on profitability in all aspects of the economy," it complained.

Mr Elliott said the Carlton brewing group accounted for about 50 per cent of profits and had produced an excellent performance. He declined to give detailed profit comparisons with 1984, but said Carlton was "up significantly."

Foster's lager had increased its share of the Australian packaged beer market to 20.7 per cent — up 3 percentage points on the same period of 1984 — while Carlton had successfully penetrated the Western Australian beer market.

Galadaris creditor hearing under way

By Angelia Dixon in Dubai

THE GALADARI brothers, who run a prominent trading empire in the United Arab Emirates, yesterday submitted to the Dubai courts their response to applications from creditor banks which are claiming some 900m dirham ($245m).

The banks are seeking the appointment of a receiver for the group, following their agreement last April to declare a moratorium on interest payments. The suits had previously been adjourned to dates in March, and the submissions of the two brothers were not immediately made public.

A hearing last Saturday was the first time a full argument was presented to the court in the banks' case against Mr Abdul Rahim Galadari and Mr Abdul Latif Galadari and their companies.

The largest creditors are Dubai Bank claiming some DH 360m, and a syndicate allegedly owed DH 260m led by Citibank.

The banks have been trying to reach agreement with the Galadaris for the orderly winding down of their business empire. The Galadaris have refused to give up management control, although this was said by the banks to have been a condition of the moratorium.

Counsel for the largest creditors alleged misrepresentation of assets and liabilities, alienation of assets out of the group, entering into financial transactions in breach of existing agreements with banks, and mismanagement of Dubai Bank.

Evidence was based in part on a report made by accountants Arthur Young, which was commissioned and approved by the Galadari brothers.

The Galadari brothers formerly had a 67 per cent share in Dubai Bank, which was taken over by government-owned Union Bank of the Middle East (UBME) in April 1985.

Pick 'n' Pay drops venture in Melbourne

By Jim Jones in Johannesburg

INDUSTRIAL ACTION by an Australian union has compelled Pick 'n Pay, the South African supermarket chain, to abandon plans to build a hypermarket in Melbourne.

Mr Raymond Ackerman, Pick 'n Pay's managing director, failed during a recent visit to Melbourne to persuade the Plumbers' and Gasfitters' Union to lift its ban on construction work at the planned hypermarket. The ban on construction work was enforced in protest against South Africa's apartheid policies.

Pick 'n Pay, which pioneered hypermarkets in South Africa 10 years ago, opened a Brisbane store last year. This was accompanied by strong anti-apartheid protests by competing traders.

Comalco to pull out of Showa smelter project

BY YOKO SHIBATA IN TOKYO

COMALCO of Australia is to pull out of a Japanese aluminium smelter venture with Showa Denko, a chemicals company, after heavy losses incurred on the project in its three-year life.

Comalco, a Melbourne-based aluminium maker in which CRA of Australia has a 67 per cent stake, will transfer to Showa Denko its half share in Showa Aluminium, having already written off the Y25bn ($138m) invested in the smelter project set up in 1982.

In return, Showa Denko will transfer its 20.6 per cent stake in New Zealand Aluminium Smelters, to Comalco. This holding, valued at NZ$ 6.5m (US$ 3.5m), will increase the Comalco share in the New Zealand operation to 79.4 per cent.

Showa Aluminium has accumulated losses of nearly Y50bn against the background of a worldwide slump in the aluminium industry. Its Chiba plant is to close temporarily.

Showa Denko will independently push ahead with reconstruction of the deficit-ridden offshoot, but intends to maintain links with the Australian company in primary aluminium exports.

For its 1985 year, Showa Denko's pre-tax profits fell 40 per cent to Y10.88bn, although net earnings were up to Y4.12bn against Y118m. Its expanding fine ceramics side accounted for nearly 20 per cent of total turnover of Y422.88bn—up 3 per cent. As a result, it paid a Y4 dividend, the first payment in four years.

Bourse move takes wraps off Constantia

BY PATRICK BLUM IN VIENNA

THE long-awaited announcement by Constantia Industrieholding, the holding company of the Turnauer group, one of Austria's largest private industrial empires, that it will seek a listing and sell shares on the Vienna bourse represents a small revolution for the company.

So far Constantia has kept out of the headlines, reflecting in part its managers' desire to keep a low profile and the fact that, unlike major companies in Austria's large state-owned sector, it has managed to keep out of trouble. According to Dr Josef Taus, a member of the group's managing board, group companies have been making steadily rising profits.

The group's consolidated turnover has grown rapidly in recent years rising from about Sch 6.5bn in 1983 to around Sch 9bn ($530m) last year. Profits—to be published with the share issue prospectus later this month—are not usually disclosed, but Dr Taus says that cash-flow rose from Sch 600m in 1984 to about Sch 800m last year.

The group's success is attributed to efficient management and above all to the efforts of Mr Herbert Turnauer, its 78-year-old founder and the chairman, who with two other members of the family retains a controlling shareholding.

Mr Turnauer comes from a family of industrialists who lost most of their holdings in Czechoslovakia at the end of the Second World War. In Austria he started again almost from scratch, making paints and varnishes as the family had done in Czechslovakia.

From that small beginning Mr Turnauer's business has grown into a large diversified conglomerate with manufacturing plants in West Germany, the UK and Tunisia as well as trading companies in most west European countries.

Constantia's most important company is Iso-Holding which produces a wide range of chipboard, laminates and insulating materials. Turnover in 1985 exceeded Sch 3bn.

Next comes Neusidler, a manufacturer of fine papers including wood-free qualities for photocopiers with a turnover of about Sch 2.7bn last year. Other companies produce packaging, both aluminium foil and corrugated paper and, in a more recent diversification, electronic equipment.

Since the 1970s the group has not only diversified but, more importantly, brought in young professional managers. Each of them has a small stake in Constantia. This formula is believed to be one of the main ingredients for the group's success in recent years.

The Vienna bourse is currently some 10 per cent below its peaks of mid-January after a dazzling run over the past year. Share turnover rose sixfold in 1985 and the equity content of total stock market activity rose to 25 per cent from just 7 per cent in 1984.

A number of new issues are expected over the early months of this year. Constantia's approach to the stock market is being made in a series of moves which combined could raise more than Sch 300m.

N. AMERICAN QUARTERLIES

CONSOLIDATED NATURAL GAS		
Integrated gas company		
Fourth quarter	1985	1984
	$	$
Revenue	845m	908.7m
Net profits	66.3m	51.3m
Net per share	1.61	1.25
Year		
Revenue	3.28bn	3.52bn
Net profits	212.4m	208.9m
Net per share	5.15	5.07
DRESSER INDUSTRIES		
Energy products, services		
First quarter	1985-86	1984-85
	$	$
Revenue	924.4m	903.7m
Net profits	10.3m	15.3m
Net per share	0.14	0.20
HOUSTON INDUSTRIES		
Utility holding company		
Fourth quarter	1985	1984
	$	$
Revenue	915.5m	928m
Net profits	104.2m	78.4m
Net per share	0.96	0.80
Year		
Revenue	4.06bn	4.18bn
Net profits	464.4m	366.3m
Net per share	4.42	3.85
LUCKY STORES		
Food, department stores		
Fourth quarter	1985	1984
	$	$
Revenue	2.47bn	2.62bn
Net profits	14.2m	38.4m
Net per share	0.27	0.71
Year		
Revenue	9.38bn	9.24bn
Net profits	86.5m	94.6m
Net per share	1.67	1.84
MOORE		
Business forms		
Fourth quarter	1985	1984
	$	$
Revenue	552.3m	529.4m
Net profits	41.4m	39.7m
Net per share	0.46	0.45
Year		
Revenue	2.07bn	2.02bn
Net profits	138.7m	125.7m
Net per share	1.53	1.43
NUCOR		
Steel and steel products		
Year	1985	1984
	$	$
Revenue	758.5m	660.3m
Net profits	58.5m	44.5m
Net per share	4.11	3.16

INTERNATIONAL COMPANIES and FINANCE

Low dollar costs attract borrowers

BY MAGGIE URRY

THE RACE among borrowers to lock into low dollar interest costs continued in the Eurobond market yesterday encouraged by the firmer New York bond market overnight. But Eurodollar bond prices were little higher yesterday.

Sweden made one of its rare visits to the market launching a $200m ten-year non-callable deal led by Credit Suisse First Boston. The terms looked on the aggressive side at a 8¾ per cent coupon and par issue price, giving a spread over US Treasuries of around 22 basis points at launch taking in the 2 per cent fees. But the deal improved through the day and closed trading within the fees.

Nippon Credit Bank, through a financing subsidiary, also launched a tightly priced issue, for $150m. This is for five years and has a 8½ per cent coupon and 100½ issue price, with Morgan Stanley as lead manager. It was quoted around the full 1⅞ per cent fees.

Fletcher Challenge, the big New Zealand company, is a little known name in the Eurobond market and it had to pay up for a $100m issue. The seven-year non-callable bonds have a 9⅞ per cent coupon and were priced at par by CSFB. With fees of 1⅞ per cent the spread over Treasury yields was 132 basis points at launch. Some investors were buying the paper to swap into floating rate money with a margin well over London inter-bank offered rate (Libor). The issue was trading within the fees.

Avon Capital, the borrower which recently cancelled a New Zealand dollar issue, launched a $100m deal with warrants to buy another bond. Morgan Guaranty won the mandate and structured the issue as a three-year bond with a 8¾ per cent coupon and 100½ issue price, while the warrants priced at $15 each buy into a seven-year 9 per cent issue at par. Both the host and the back bond are non-callable and warrant holders can exercise at any time during the three-year life of the host bond for cash.

The fees were set at 1⅞ per cent, and were quoted within that discount, while the warrants were trading around $18.

Late in the afternoon Banque Nationale de Paris launched a deal for itself raising $125m. This matures in 1993 and has an 8⅞ per cent coupon and 99⅞ issue price. Fees are 1⅞ per cent and the lead manager was indicating a trading level comfortably within the commissions.

Two floating rate note issues were launched yesterday, an event now quite unusual in this market which has been short of new deals. The first for National Bank of Canada had a good reception, but the second was for a difficult name ONGC of India, the energy group, and was slow to start.

National Bank of Canada's $150m issue has a 12-year life and is non-callable for five years. It will pay interest at ⅛ per cent above six month Libor and fees total 60 basis points. Morgan Stanley is the lead manager, and the bonds were trading within the 35 basis point selling concession.

The ONGC issue for $125m has a 10-year life with put options after five and seven years and calls after three. The coupon will be set at ⅛ per cent above six month Libor and fees were set at 45 basis points by CSFB as sole lead manager. Demand for the bonds may come from the Far East and syndication was continuing overnight.

The window which has opened in the sterling sector allowed MEPC, the UK property company, to launch a seven-year £50m issue yesterday, led by Morgan Grenfell. The bonds are to be rated single A by Standard and Poors and offer a good margin in yield above UK gilt-edged stocks. The coupon is 11⅛ per cent and issue price par with fees of 2 per cent. The bonds were bid just inside that discount.

Nomura International devised another structure for a Euroyen issue linked to dollars, for Kawasaki Steel Corporation. Unlike recent issues where the redemption amount is linked to the yen/dollar exchange rate this Y10bn issue will be redeemed at par in yen after 10 years. But the 7⅛ per cent coupon will be paid in dollars at an exchange rate of Y181.20 to the dollar. Issue price is 101 and fees are 2 per cent. No trading level was seen for the bonds.

The market in D-mark Eurobonds was active yesterday with prices gaining up to a ½ point in places. Investors, both foreign and domestic, were encouraged by the weaker dollar. No new issues were launched. The Chrysler DM 200m issue, launched late on Tuesday, traded around a 1½ point discount to issue price, within the 2½ per cent fees.

Germany seeks limit on banks' underwriting

By Jonathan Carr in Frankfurt

WEST GERMAN banking supervisors have proposed concrete steps to take account of the risks run by banks operating in the growing Euronotes market. It has been clear for months that some move was in the offing.

The federal credit supervisory office in Berlin has sent its proposals to the various German banking associations and asked for comments. A formal hearing will be held in Berlin on April 15.

Like the steps announced by the Bank of England last April, the German action is meant to ensure that banks' underwriting Euronote issuance facilities have adequate capital backing.

The main proposal is that half of the banks' obligations under these facilities be counted as loans for the purposes of calculating capital-to-lending ratios. So far this business has been treated as off-the-balance-sheet and hence needing no capital backing.

Both Bundesbank and federal supervisory office have repeatedly warned of the potential risks involved, and late last year the banks were asked to provide a detailed breakdwon of their involvement in this market.

The new proposals are widely regarded as far-reaching and it remains to be seen whether they will in fact be applied in their present form.

Note-issuance facilities involve the continuous sale of short-term paper to Euromarket investors. The operation is underwritten by banks or backed by a credit line which can be drawn on if the paper fails to sell at a specified price.

Commenting on these and other novel financing techniques last year, the Bundesbank stressed that the banks were trying to take part in international lending without involving their capital in the process. This in turn reflected the impact of the debt crisis and the moves to tighten debt-equity ratios in several countries, including Germany.

The central bank warned that the risks from these developments should not be underestimated. In general the market had become less transparent and major interest rate burdens were being placed on borrowers.

'Parfum' dealers scent success

BY DAVID MARSH IN PARIS

A FRENCH financial futures market is due to open for trading today, marking the first time that the US-pioneered technique for forward hedging in financial instruments has been introduced on the Continent.

The new market, which will be housed for at least the next year or so on the third floor of the Paris bourse, has been baptised with the somewhat unprepossessing name of Marche a Terme d'instruments financiers (MATIF). But some dealers are giving it the more alluring appellation Parfum (Paris futures market).

The market was originally intended to be launched last autumn, but was held up by organisational problems, including difficulties in putting together necessary computer systems. The start-up represents a key element in efforts by Paris to keep pace with world wide financial market innovation.

Although the market is starting several years after financial futures came to London, Paris is out-distancing Frankfurt, Zurich and Amsterdam in its approach to futures.

The contract, for which trading will start today, will be in government bonds, using as a basis for dealing a notional government bond of maturity seven to 10 years and with a 10 per cent coupon.

The explosion in issue volume and transactions on the Paris capital market in recent years (see chart) has made the bond contract the most necessary one to be launched first.

Based on "dry runs" carried out last week partly to test the installed information technology, trading volume in the first few days could total a few hundred contracts a day. Mr Gilbert Durieux, managing director of the clearing house company set up to centralise transactions on the market, believes the first day's total could be around 370 contracts.

Present government bond trading volume is about FFr 1bn a day—a total which should provide the necessary liquidity for a futures market to develop.

A total of 44 stockbrokers and four banks — Banque d'Escompte, and the Big Three state owned institutions, Banque Nationale de Paris, Societe Generale and Credit Lyonnais—have already acquired seats on the new exchange.

Another 44 institutions—mainly banks—have put forward their candidacy and are in the process of completing formalities to join up. These include five foreign-owned banks, including representatives of the UK, Belgian and US banking community.

A second contract in treasury bonds is due to start in the next few months

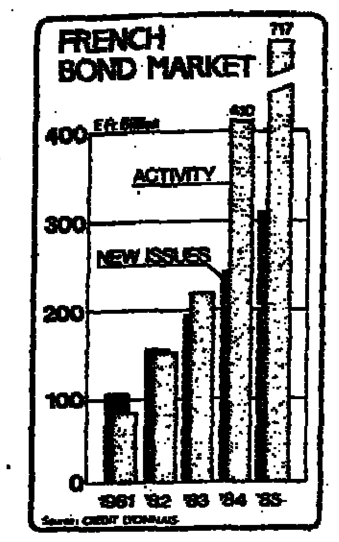
Foreign exchange futures contracts—the European currency unit against the yen and the dollar—could be introduced around the start of 1987. French currency controls presently prevent the start-up of foreign exchange trading in French francs, but this problem could well be resolved if a Right-wing government taking power after general elections next month lifts foreign exchange controls as promised.

Banks for the time being will be able to deal in bond futures only by passing orders through stockbrokers, in line with the monopoly on bourse transactions which the brokers have kept intact for 180 years.

However, banks and brokers will be able to deal on an equal footing in the tresury bond contract. And the brokers' monopoly on futures bond trading will be lifted from September 1—an extra trading opportunity which the banks are looking forward to with relish.

The lack of complete trading possibilities before September provides one reason why banks have been less hurried than brokers to adhere to the exchange up to now. However, even though they will not become floor members right away, banks with seats will have access to computer systems and be able to train staff in preparation for, what some are calling, the "petit bang" in September.

The cost of a seat, including a refundable FFr 500,000 guarantee payment, will be between FFr 900,000 and FFr 950,000. This also includes contributions to the cost of the new technology as well as capital subscriptions to the clearing house company.



Banque Bruxelles placing raises over BFr2.5bn

BY PAUL CHEESERIGHT IN BRUSSELS

BANQUE Bruxelles Lambert, the second largest of the Belgian commercial banks has completed the placing of 1m new shares with financial institutions in France, Germany, Switzerland and the UK at BFr 2,2550 a share, raising BFr 2.55bn The offer was subscribed nearly twice over.

The price was set at yesterday's trading levels in Brussels, where BBL shares have strengthened since last week and are nearly at the top of their 1985-86 trading range of BFr 1,670 to 2,630.

This bosted the bank's capital by more than executives had hoped when the placing was orignally planned for January. It was delayed because of foreign exchange fluctuations and a slipping market price.

BBL has been seeking assurances from buyers that the shares would be treated as portfolio investment holdings.

The issue is part of a longer-term exercise to strengthen the bank's equity base in the face of steady international expansion. Last year shareholders approved an increase in authorised capital from BFr 9.14bn to BFr 15bn by 1990. Since then just over BFr 3bn has been raised on the domestic market.

NZ Synthetic fuels facility

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BANK OF New Zealand and S. G. Warburg are arranging a $100m, five-year Euronote Issuance facility for New Zealand Synthetic Fuels.

The facility allows for the issue of short-term Euronotes carrying a maximum margin of 10 basis points over the London interbank offered rate for Eurodollars (Libor).

The notes will be underwritten to a value of $70m for which banks will receive a 10 basis point annual fee. Half the underwriting can, however, be held in reserve for a reduced fee of 6¼ points.

New Zealand Synthetic Fuels, which is 75 pr cent owned by the government and 25 per cent by Mobil Oil, specialises in turning natural gas into gasoline.

Second marché hits fever pitch

BY OUR PARIS STAFF

THE FRENCH second marché or unlisted section of the bourse is undergoing a period of frenetic activity which has seen several new issues more than one hundred times over subscribed during the last few weeks.

The second marché, set up in February 1983 along the lines of the unlisted securities market in London, allows small and medium companies to bring a minimum portion of 10 per cent of their capital to the bourse.

Three years after its inception—one of the series of financial market reforms undertaken by the Socialist Government—more than 130 stocks are quoted on the market in Paris and on provincial bourses around the country. Total capitalisation of companies quoted—only a fraction of which has been launched on to the market—amounts to more than FFr 50bn ($6.95bn).

The generally small offerings of shares, coupled with incessant demand from investors which has driven the Paris bourse to record highs this year, has led to massive over-subscriptions.

"The market is very small. Issues are practically without risk," said one dealer. "Investors are in the position of being able to bid for practically any number of shares—with an 80 per cent chance that the price will rise at least 20 per cent in the weeks after the issue."

Several times offerings have been posteponed because the size of the allotments would be below the bourse minimum.

Dynaction, a holding company specialising in taking over and redressing small and medium businesses, was over-subscribed 150 times on February 4, with 11.1m bids made for 72,000 shares offered at FFr 125.

Supra, a company making wood fired stoves and heaters, was over-subscribed 120 times on February 8.

The biggest over-subscription however was on February 13 for CGI Informatique, the software company, for which bids of 59.6m shares exceeded supply of 150,000 by nearly 400 times. The initial offer price of FFr 310 will be lifted to FFr 420 when a new effort to launch the stock is made on February 18.

Many companies seem anxious to capitalise on the extraordinary investor appetite before the French general election on March 16 when demand could turn down.

US looks at index linking

MR JAMES BAKER, the US Treasury Secretary, said that his department was looking at the possibility of issuing indexed government bonds. But he added that he had "some reservation" that they would help keep inflation under control, Terry Dodsworth writes from New York.

Mr Baker's comments, made in response to a question in Congressional testimony, caused a flurry of interest among bond market analysts last night. However the likelihood of an early move to introduce index-linking was broadly discounted in the market, on the grounds that indexed securities were less interesting in a period of falling inflation and declining deficits than at a time of high inflation and increasing government funding problems.

The Treasury first began considering index-linking in the early days of the first Reagan Administration, when Mr Beryl Sprinkel, as head of debt management, was concerned that the Treasury was locking itself into hefty long-term interest costs because of the prevailing high rates.

DOMESTIC BOND MARKETS

Prices ease in Tokyo

THE YEN bond market eased amid growing concern about recent price rises. These stemmed from expectations of another cut in the official discount rate after the yen's surge since late last week, Shigeo Nishiwaki of Jiji Press writes.

The yield on the bellweather 6.2 per cent Government bond due in July 1995 rose slightly to 5.470 per cent from Tuesday's 5.465 per cent

Institutional investors and dealers remained bullish in outlook but stayed passive, having already bought largely in anticipation of a 0.5 per cent discount rate cut.

Dutch issue draws Fl 1.2bn

The Dutch Government's third bond issue this year, a six-year bond with a 6¾ per cent coupon, drew a relatively modest Fl 1.2bn. A total of Fl 7bn now has been raised by the three issues, meaning that more than one-third of the Fl 36bn public sector borrowing requirement for 1986 has been covered.

The latest tender offer was priced at par. Redemption will be made in five equal, annual instalments beginning in 1992, giving the paper about a seven-year average life.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.
Closing prices on February 19

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amev 10⅛ 92	100	104¾	105¼	−0⅛	+0⅛	9.35
Amex Credit 10⅞ 90	100	106¼	106¾	−0⅛	+0⅛	8.89
Atlan. Richfield 10¼ 00	250	100⅛	100⅞	−1⅛	−1⅛	10.16
Australia Com. 11 95	200	111¼	111¾	−0½	+1⅛	9.12
Australia Com. 11⅞ 00	100	112¼	112¾	−0⅛	+1⅛	9.59
BP Capital 11⅛ 92	150	107⅞	108¼	+0⅛	+1⅛	9.32
Campbell Soup 10¾ 95	100	108⅜	108⅞	−0⅛	+0⅛	9.13
Canada 11½ 90	500	109⅝	110⅛	+0⅛	+0⅛	8.51
Canadian Pac. 10⅞ 93	100	105⅝	106⅛	+0⅛	+1⅛	9.58
Canadian Pac. 12½ 99	75	111⅜	111⅞	−0⅛	+1	10.81
CEPME 10¼ 91	100	105	105½	−0⅛	+0⅞	8.88
Chevron USA 12⅛ 89	600	104⅞	105⅜	−0⅛	−0⅛	10.48
Citicorp 10 88	200	102¾	103¼	−0⅛	+0⅛	8.64
Citicorp 10⅞ 95	200	103¼	103¾	0	+0⅛	10.01
Coca Cola 11⅛ 91	100	108	108½	−0⅛	+0⅛	9.76
Denmark Kgdm. 11¼ 89	100	106⅜	106⅞	−0⅛	+0⅛	8.77
Denmark Kgdm. 11½ 90	100	108⅜	108⅞	−0⅛	+0⅞	8.95
Denmark Kgdm. 11½ 92	100	110	110½	−0½	+1⅛	9.23
EDF 10 95	225	104½	105	+0⅛	+1⅞	9.22
EEC 9⅜ 90	350	102½	103	−0⅛	+0⅛	8.81
EIB 10⅜ 94	200	105⅞	106⅜	−0⅛	+1½	9.18
EIB 12 95	200	115⅞	116⅜	−0⅛	+1⅛	9.31
Eli Lilly 10⅛ 92	150	106½	107	−0⅛	+0⅛	8.85
Equit. Lrd. Rlty. 10⅞ 97	100	103½	104	0	+0⅞	9.94
Export Dev. Cpn. 10 90	100	104⅝	105⅛	−0⅛	+0⅛	8.59
Fed. Dep. Strs. 10⅛ 95	100	104½	105	+0⅛	+0⅛	9.33
Ford Motor Crd. 10½ 91	150	104⅜	104⅞	−0⅛	+0⅛	9.40
Ford Motor Crd. 11¼ 90	100	106⅛	106⅝	−0⅛	+0⅛	9.33
Ford Motor Crd. 12 95	100	110⅞	111⅜	−0⅛	+1⅛	10.07
Gen. El. Cred. 10⅛ 00	200	103¾	104¼	0	0	9.71
GMAC 10⅛ 88	200	104½	105⅛	−0⅛	+0⅞	8.85
GMAC 10¼ 92	250	103⅞	104⅜	−0⅛	+0⅛	9.39
IADB 9⅞ 95	200	103¾	104¼	−0⅛	+1⅞	9.24
IADB 10½ 95	150	107⅝	108⅛	+0⅛	+1⅛	9.20
Kellogg Co. 10⅞ 90	100	105⅝	106⅛	+0⅛	+0⅛	9.13
Kellogg Co. 11⅛ 92	100	107⅝	108⅛	−0⅛	+0⅛	9.44
LTCB 12⅞ 91	100	115⅞	116⅜	+0⅛	+1⅛	9.10
Nippon Cr. Bk. 10⅝ 95	150	106⅞	107⅜	−0⅛	+1	9.46
Pillsbury Co. 10⅝ 93	100	103½	104	0	+1	9.61
Proct. & G. 'A' 9⅞ 92	150	102⅜	102⅞	−0½	+0⅛	9.32
Pru Realty S. 12⅞ 95	545	112¼	112¾	0	+0⅛	9.92
Qantas Airways 10⅛ 95	140	106⅝	107⅛	0	+1⅛	9.21
Quebec Hydro 11½ 92	100	109½	110	−0⅛	+1	9.48
Queensld. Gvt. 10⅛ 95	100	105⅝	106⅛	0	+1⅛	9.34
Ralston Purina 11⅛ 95	150	110⅝	111⅛	+0⅛	+0⅛	9.89
Saskatchewan 10⅜ 92	100	107⅞	108⅜	−0⅛	+1⅛	8.94
Saskatchewan 11⅞ 89	100	109⅝	110⅛	−0⅛	+0½	8.64
Scandinavia Air 10⅛ 95	150	103⅛	103⅝	−0⅛	+1	9.56
Statoil 10 90	170	104⅛	104⅞	−0⅛	+0⅛	8.70
S. Wales Trsy. 11⅛ 90	150	109	109½	−0⅛	+0½	8.97
Swed. Exp. Cred. 10 92	100	104⅞	105⅜	−0⅛	+1	8.89
Sw. Ex. Cr. 12⅛ 88 XW	100	109¼	109¾	−0½	+0⅛	9.48
Sweden 10⅛ 92	250	105⅝	106⅛	−0⅛	+0⅞	9.02
Sweden Kgdm. 10⅞ 90	200	107⅛	107⅝	0	+1	8.88
Sweden Kgdm. 11½ 89	200	108½	109	−0½	+0½	8.70
Sweden Kgdm. 11⅞ 94	100	111⅞	112⅜	−0½	+1	9.67
Tenneco Cpn. 10⅜ 95	150	105⅛	105⅝	−0⅛	+0⅞	9.79
Utd. Tech. Fin. 10⅝ 95	100	108⅜	108⅞	+0⅛	+1⅛	9.57
Victorian Rep. 11⅛ 92	150	110	110½	−0⅛	+0⅛	9.35
World Bank 10⅜ 95	300	107¼	107¾	+0⅛	+2½	8.91
World Bank 12⅞ 94	200	120⅜	120⅞	0	+2	9.25

Average price changes... On day −0⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 8 94	200	106½	107⅛	0	+0⅛	6.90
Copenhagen 7⅛ 95	150	102¾	103¼	0	0	6.85
Credit National 8⅛ 94	200	108⅝	109⅛	0	+0⅛	6.68
Dow Chemical 6⅜ 95	300	102¼	103	0	0	6.37
EIB 6⅞ 95	300	†102¾	103¼	+0⅛	+0½	6.45
EIB 7⅛ 94	300	104	104½	0	+0⅛	6.59
Emhart Cpn. 6⅛ 95	175	†98⅜	99⅛	0	0	6.88
ESCOM 8 92	150	97⅞	98⅜	−0½	+2⅛	8.42
Ex. Im. Bk. Korea 7⅛ 90	100	100½	101½	+0⅛	0	7.34
Ferrovie Dello St. 8 91	100	104½	105½	0	0	6.77
Finland Republic 7 92	200	102⅝	103⅛	−0⅛	0	6.37
Gould Int. Fin. 7⅛ 91	100	104¼	105	0	+0⅛	6.54
Ireland 8⅛ 92	150	105⅝	106⅛	−0⅛	0	6.90
I/S Elsam 6⅜ 93	125	97½	98	0	+0½	7.13
Japan Fin. Con. 7⅛ 91	100	104⅞	105⅜	+0½	+0½	6.43
Mtsbshi. M. 3⅛ 89 WW	100	106	107	+0⅛	+0⅛	1.37
Mtsbshi. M. 3⅜ 89 XW	100	92¾	93¼	+0⅛	0	5.26
Quebec-Hydro 7⅛ 95	250	104¼	105	0	+0⅛	6.44
Renfe 7⅜ 95	100	104⅝	105⅛	0	+0⅛	7.00
Soc. C. Nuclear 7⅛ 95	150	102½	103½	+0⅛	+0⅛	6.84
Soc. C. Nuclear 8 91	100	104⅞	105⅜	0	−0⅛	6.79
S. Africa Tran. 7⅜ 92	100	92¼	92⅞	0	+0⅛	9.16
World Bank 7 95	600	103¼	103¾	0	+0⅛	6.49

Average price changes... On day 0 on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avon. Cap. Cpn. 5⅜ 94	130	†101⅞	102	0	+0⅛	5.10
Br. Land. Comp. 6½ 98	75	†105½	105⅞	0	+0⅞	5.89
Council of Europe 6 92	120	*†105	105⅝	+0⅞	+1⅞	5.08
Creditanstalt 5½ 94	100	†101¼	101¾	0	+1	5.26
Deutsche Bk. 5⅜ 95	100	†104½	104¾	0	0	4.72
EIB 6⅞ 94	120	†103	103¼	−0⅛	0	5.41
Gen. Occidentale 4½ 94	80	†108	108⅜	+0⅞	+0½	3.42
Glendale F. S&L 5⅛ 95	100	†98	98⅛	0	0	5.62
Ind. F. Finland 5⅜ 94	40	*†101⅞	102	−0⅛	−0⅛	5.47
Int. Am. Dv. Bk. 6⅛ 94	120	†104	104¼	+0⅛	0	5.51
N. Zealand Steel 5⅛ 98	70	†100	100⅛	−0⅛	−0½	5.73
Oberos. Kftwk. 5⅜ 95	100	†102⅜	103	+0⅛	−0⅛	4.97
Olivetti Intl. 5½ 95	100	†102⅛	102½	−0½	−0⅛	5.17
Pepsico 5⅛ 95	130	†103	103½	+1⅛	+0⅛	4.80
Ralston Purina 5⅛ 94	125	†102½	102¾	0	−0½	4.89
Santos Finance 6 94	130	†100½	101	+0⅛	−0⅛	5.88
Tokyo Elec. Pr. 5½ 93	120	†103	103¼	0	+1	4.95
Tokyo Metropolis 5⅛ 94	80	†102½	102¾	+0⅛	+0⅛	4.87
World Bank 5⅜ 94	150	†104¾	105	+0⅛	+1	5.05

Average price changes... On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied-Signal 6⅜ 93	20	99⅛	99⅝	−0⅛	+0⅛	6.88
Caisse Nat. Tel. 6⅛ 92	25	99½	100	0	+0⅛	6.30
Ford Motor Cred. 6⅜ 91	20	99½	100	0	+0⅛	6.61
Mt. Bk. Denmark 7 92	10	102¼	102¾	0	+0⅛	6.51
Transamerica F. 6⅜ 91	10	98⅞	99⅜	0	+0⅛	6.64

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Barclays Au. 12⅛ 90 A$	50	93	94	0	+0⅛	14.61
Creditanstalt 12⅞ 90 A$	50	97⅜	98⅛	0	−0⅛	13.35
Pepsico C. R. 13 90 A$	50	99⅞	100⅞	+0⅛	+0⅛	12.82
Swed. Ex. Cr. 13 88 A$	40	97⅞	98⅜	−0⅛	0	13.79
Amax 10⅛ 90 C$	50	†102	102½	+1	+1	10.05
Canad. Pac. 10⅜ 90 C$	75	†102	102½	+2½	+1	9.72
CIBC 10⅛ 90 C$	75	*†100¼	100⅞	0	+0⅛	10.61
Genstar Fin. 11⅛ 95 C$	75	†104½	105¼	+3	+1	10.85
Montreal 11⅛ 95 C$	75	†103⅛	103⅞	+0⅛	+1⅛	10.84
Ryl. Trustco 10⅛ 90 C$	75	†99	99½	+2	+1⅛	10.56
Sears Acc. 10⅜ 92 C$	75	*†100¼	100⅞	0	0	10.49
Coca-Cola F. 17 90 NS	75	103½	105	0	−0⅛	15.49
Kredtbk. Lux. 17 88 NS	70	99⅛	100⅛	−0⅛	−0⅛	17.08
Nordic. I. Bk. 18 88 NS	50	98⅞	99⅜	−0⅛	−0⅛	18.50
Copnhagn. C. 9 95 Ecu	40	99⅝	100⅛	+0⅛	+0⅛	9.00
Eutelsat 9 93 Ecu	50	99⅝	100⅛	+0⅛	+0⅛	9.00
Walt Disney 8⅛ 94 Ecu	63	99⅝	100⅛	0	+0⅛	8.76
Honda WW 3⅞ 90 Fl	100	105⅜	105⅞	0	0	2.47
Honda XW 3⅞ 90 Fl	100	90⅝	91⅛	0	−0⅛	5.49
Thyssen 7⅛ 90 Fl	50	102½	103	0	−0⅛	6.52
Wereldhave 7½ 90 Fl	75	102½	103	0	−0⅛	6.75
Wessanen 6⅜ 90 Fl	50	100½	101	0	−0⅛	6.54
Remy Mrtn. 10⅞ 90 FFr	250	102	102½	+0½	+1⅛	10.26
Amev 11 93 £	50	98⅛	98⅝	0	+1⅞	11.30
Australia Com. 11 92 £	40	99⅛	99⅝	+0⅛	+1⅛	11.11
EIB 11⅛ 93 £	50	101⅛	101⅝	+0⅛	+1	10.80
GMAC UK F. 10½ 90 £	30	98⅞	99⅜	+0⅛	+0⅛	10.73
Imp. Ch. Ind. 11⅛ 95 £	75	99⅛	99⅝	+0⅛	+1⅛	11.34
Imp. Ch. Ind. 10⅜ 92 £	75	97	97½	0	+0⅞	11.34
McDonalds 10⅞ 90 £	40	100	100½	−0⅛	+1⅛	10.79
Mtsbshi. F. HK 11 90 £	50	99	99½	0	+0½	11.21
NSW Treasy. 10⅜ 92 £	50	96½	97	0	+0⅞	11.32
Rank Xerox 11 92 £	40	97½	98	0	+0⅛	11.52
Royal Ind. 10⅜ 92 £	60	96½	97	−0⅛	+1⅛	11.45
J. Sainsbury 10⅞ 93 £	60	97⅛	97⅝	+0⅛	+1⅛	11.41
Tricentrol XW 11 92 £	35	84⅜	86⅛	0	−1⅛	14.51
Tathse. Forte 11⅛ 90 £	50	98	98½	0	+0⅛	11.66
World Bank 11⅛ 95 £	100	101½	102	+0⅛	+1⅞	10.92
COE 8⅞ 95 LFr	600	98⅜	99⅛	+0⅛	0	8.98
N. Lux. Al. 10½ 92 LFr	600	103½	104½	0	0	9.63

FLOATING RATE NOTES	Spread	Bid	Offer	day	week	Yield
Abbey Natnl. 5 2000 £	0⅛	98.37	98.42		16/1	11⅛
Anglia Bldg. S. 5 98 £	0⅛	99.77	99.82		14/4	11⅛
Bankers Trust 5 2000	0⅛	100.14	100.24		11/3	8.31
BFCE 5⅛ 99	0⅛	100.06	100.16		13/3	8⅛
BNP 5⅛ 95	0.05	101.18	101.28		10/1	8.69
BNP 5⅛ 99	0⅛	100.07	100.17		22/3	8⅛
Britannia 5 93 £	0⅛	99.80	99.86		8/4	11½
CCF 5⅛ 97	0	99.33	99.43		5/4	8.06
Citicorp 5 2005	0⅛	99.40	99.50		25/2	8.29
Citicorp 5 2035	0.225	98.78	98.88		27/1	8.23
Credit Lyonnais 5⅛ 96	0⅛	100.62	100.72		11/4	9½
Credit Lyonnais 5 2000	0⅛	100.12	100.22		10/1	7.94
EEC 5 90	0⅛	98.75	98.83		8/7	8.06
ENEL 5 2000	0⅛	99.85	99.95		1/3	8⅛
Ireland 5⅛ 97	0⅛	99.90	100.00		28/2	8.44
Lloyds Bank Perp.	0⅛	100.07	100.17		9/5	8½
Midland Bk. Perp. 5	0⅛	100.15	100.25		19/6	8⅛
NatWest Perp. A	50⅛	100.17	100.27		9/7	8.31
NatWest Perp. B	50⅛	100.13	100.23		10/2	8⅛
Prudential Cpn. 4 95 £	0.1	99.44	99.54		6/3	11.78
R. Bk. Scotland 5 Perp.	0⅛	100.00	100.10		11/6	8.44
R. Bk. Scot. 5⅛ 2005 £	0⅛	99.22	99.32		4/2	11⅛
Societe Generale 5⅛ 97	0⅛	100.03	100.13		18/3	8⅛
United Kingdom 5 92	0	99.96	100.04		7/7	8.06
Woolwich 5 95 £	0⅛	99.58	99.63		19/2	11.69

Average price changes... On day +0.01 on wk. +0.01

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053	165½	166½	+9½	12.28
Comcast 7 2000	12/85	23.87	†112	113	−2½	13.09
Fanuc 3⅛ 98	1/84	7032	204½	206⅛	−0½	60.34
Fuji Hvy. Inds. 3 2000	8/85	676	97⅞	98⅝	+0½	−3.17
Fujitsu 3 99	5/84	1320	103⅞	104⅛	−0⅛	5.00
Kumagai Gumi 3½ 2000	3/85	600	222	224	+3½	9.22
Marui 3½ 99	7/84	1162	198½	199½	+5	−0.83
Minolta Camera 2⅛ 94	2/86	1105	98	99	0	18.20
Mitsubishi Bank 2⅞ 00	8/85	1768	111⅞	112⅛	−1⅞	−3.18
Mitsubishi Elec. 2⅞ 00	3/86	422	108⅛	109⅛	−0⅛	−4.90
Murata 3½ 2000	7/84	2398	135⅞	136⅛	+1⅛	17.32
Nippon Elec. 2⅞ 2000	1/85	1296	126⅛	127⅛	+0⅛	28.51
Nippon Oil Co. 3 2000	5/85	923	133½	134⅞	+5⅛	0.82
OKI Elec. Ind. 3⅛ 99	10/84	805	110⅞	112	+0⅛	−1.82
Sanwa Bank 2⅛ 2000	10/85	1486	119½	120½	+0½	−1.37
Sekisui House 3 99	6/84	612	186⅛	187⅛	+4⅛	1.82
Sumitomo Bk. 2⅛ 2000	8/85	2142	108⅛	109⅛	+0⅛	0.22
Sumitomo Cpn. 2⅞ 99	5/84	593	186⅞	187⅞	+7⅛	2.39
Taiyo Yuden 3⅛ 2000	3/85	1078	†119	121	−1	−6.85
Takeda Rkn. 3⅛ 2000	10/84	7663	†103½	105½	0	8.32
Tokyo S'yo El. 3½ 99	12/84	272	108½	109½	+1	8.24
Toshiba Crmcs. 3 2000	4/85	1734	109⅛	110½	+1⅛	−3.55
Nippon Oil 2⅛ 92 SFr	3/84	1052	†103½	106	−1⅛	10.83
Nip. Shinpan 2 92 SFr	3/84	801	†145⅛	146½	+1⅞	14.23
Asics 5 92 DM	12/83	520	106⅞	108	+0⅛	14.39
Renown 3⅛ 90 DM	3/85	676	110½	111½	+2⅛	−9.54

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

International Appointments

Financial Director (Designate)

A rewarding international development challenge for a bi-lingual accountancy professional

The Hague **Attractive salary & package neg.**

Our clients are a major British company with diversified interests in the service industry sector. With an impressive growth record in the UK they have successfully been following a programme of international development centred on the USA and Europe.

They are now poised to make a major breakthrough in Holland and seek a highly commercial Chartered or Registered Accountant to join the senior management team in spearheading this opportunity.

Reporting to the Managing Director, the responsibilities of this challenging position will essentially be wide and varied encompassing all aspects of statutory fiscal requirements, the provision of financial management information and effective cashflow management. As a new venture, the successful candidate will also be responsible for establishing systems, building and managing the financial team and advising on purchasing requirements in liaison with operational management.

Probably aged 28-40 and already in a senior position within financial management with international company exposure, you should have experience of dealings with high level government ministry officials, some direct data processing experience and be able to evaluate capital expenditure proposals.

Coupled with this exacting background you should be looking for the challenge of building a new company from scratch and have the flexibility, initiative and sound commercial judgement that such a challenge demands.

Our clients will also be looking for a high level of communications skills and total fluency in both Dutch and English is an essential requirement. Preference will be given to candidates with a knowledge of Dutch accounting procedures.

The salary and benefit package is negotiable and will be in keeping with the senior level of this position. Relocation expenses will be available if necessary.

Applicants should send a full CV with details of current package in strict confidence to M. D. O'Neil, Managing Director, Adplan Recruitment International (UK) Limited, Ludgate House, 107/111 Fleet Street, London EC4A 2AL.

Replies will be forwarded to our client. Please list separately companies to whom your reply should not be sent.

ADPLAN
CONFIDENTIAL REPLY SERVICE

An expanding international operation of a US company with worldwide sales exceeding US$450M, is seeking to expand its management team. There are subsidiaries in all the major European countries as well as in the Far East, operating in the field of electronic publications and typesetting systems.

European Troubleshooter

Lausanne, Switzerland **c£20,000 package**

Reporting to the International Division Finance Director, the role encompasses the following responsibilities:

★ liaison with country controllers and general managers
★ installation of management and financial reporting systems
★ evaluation and improvement of internal controls
★ in-depth review of accounting operations in subsidiaries
★ European Head Office accounting.

Applicants for this high travel post should possess a good working knowledge of at least one major European language, Spanish or Italian being an advantage. Qualified ACA's aged 25-35, who wish to move into an international company, with prospects of a Head Office role within eighteen months are invited to apply. Weekend return to chosen (European) base will be paid. Ref. 1073.

Controller

Barcelona, Spain **Excellent package negotiable**

The successful candidate will be responsible for the accounting systems at the Barcelona sales subsidiary and two branch offices. Specific duties will include:

★ monthly financial reporting to the local General Manager and International Division Finance Director
★ development of a comprehensive management reporting system
★ liaison with international management in support of the General Manager
★ local treasury management
★ management of a 5 man team.

Age is not a critical factor for this post. However, the chosen candidate *must* be a qualified accountant or equivalent, with previous line experience, and fluency in Spanish or English. A working knowledge of Italian would be an advantage. Ref. 1074.

Interested applicants for either of these two roles should telephone James Forte on 01-831 0431 or send a detailed curriculum vitae, quoting current salary, telephone number and reference number to 39-41 Parker Street, London WC2B 5LH.

MP
Michael Page International
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London Brussels New York Sydney
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BANK DOCUMENTATION SUPERVISOR

DATA STORAGE AND RETRIEVAL

Bahrain US $34,000 tax free

Already one of the largest Arab banks, our client continues to expand its world wide presence and sphere of activities. Consequently it now seeks to recruit an experienced person to take responsibility for its data storage and retrieval system and also manage its Microfilm Unit.

Candidates should ideally be aged 28-35, hold a University degree, or professional qualifications and have at least 5 years' experience in a similar role, preferably within a banking environment. It is essential that candidates are fully conversant with the latest developments of data storage using microfiche.

The successful applicant will be responsible for the maintenance of corporate, classified, biographical and bibliographical files, annual reports, tapes and other important bank documents.

A competitive tax free remuneration package is offered, including fully furnished accommodation, return air fares, education allowance, pension and discretionary bonus.

Please send a detailed Curriculum Vitae to: **Roy Webb, Managing Director, Jonathan Wren International Ltd., 170 Bishopsgate, London, EC2M 4LX, Tel: 01-623 1266, Telex: 8954673 WRENCO.**

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Banking Consultants

APICORP

الشركة العربية للاستثمارات البترولية

APICORP is an inter-Arab Corporation established by the Member States of OAPEC to finance and invest in petroleum sector projects. Total assets are around $900 million.

The Corporation based in Al Khobar - Eastern Province, Saudi Arabia would like to make the following appointments:

SENIOR PROJECT ECONOMIST/ FINANCIAL ANALYST

★ Identification, preparation, appraisal and evaluation of financial/economic viability of industrial projects, preferably in the petroleum, petrochemical or chemical industries;
★ Financial/economic analysis including evaluation of financial/ economic rates of return;
★ International joint venture negotiation & implementation studies;
★ Market surveys and industrial demand analysis; and
★ Computer based micro-economic forecasting and data management.

SENIOR RESEARCH ECONOMIST

★ International economics and finance with special reference to economics of development;
★ Financial modelling and country risk analysis;
★ Research of publishable quality; and
★ Computer based macro-econometric modelling and data base management.

Familiarity with computer applications in petroleum economics and finance gained within the petroleum industry, an international investment bank or a multi-national corporation with exposure to petroleum business is necessary. Postgraduate research experience and/or contributions to published literature in a field of relevance to the petroleum industry will be an advantage.

Applicants, preferably aged 30-40, should be able to take up personal responsibilities for preparing written and oral management reports on economics and finance of projects. *The successful applicants will join highly qualified and experienced colleagues of varied disciplines and nationalities.*

Appointment will be for an initial 2 year contract, renewable. In addition to the tax-free salary, there is a comprehensive benefits package which includes free fully furnished air-conditioned family accommodation, transportation and education allowances, medicare, relocation expenses and contributory pension scheme.

Please apply in confidence, giving relevant details of personal and career history to:

Administration & Personnel Manager,
Arab Petroleum Investments Corporation,
P.O. Box 448, Dhahran Airport - 31932,
Saudi Arabia

المؤسسة العربية المصرفية

ARAB BANKING CORPORATION

E.D.P. AUDITOR

Bahrain based

Already one of the largest Arab Banks, Arab Banking Corporation (ABC) continues its rapid expansion in terms of size, product range and geographic spread. To further strengthen its Internal Auditing function, ABC is looking for a seasoned Banking professional to fill a newly created position in EDP Auditing.

ABC's financial data processing activities are configured primarily around *IBM System/38s and the Kapiti* International Banking package and software developments using these systems. In addition, the existing global communication network is being expanded based on direct linkage of mainframes and personal computers.

The EDP Auditor will be primarily responsible for the ongoing appraisal of system developments and enhancements. The candidate will also be expected to provide support to the Operations Auditors in ensuring the overall integrity of the database.

A thorough understanding of the following program products used on the IBM System 38 is expected: Control Program Facility and security functions architected within the CPF; journal backup/restore functions; DFU, Query and Applications Made Easy. The candidate should have had extensive experience in programming and system analysis with specific knowledge of RPG. Furthermore, exposure to telecommunications and familiarity with the Kapiti Banking package especially *in terms of understanding the parameter* concepts and its database is desirable.

As the job provides travel opportunities, knowledge of one or more European languages will be an advantage.

A competitive tax free remuneration package is offered, including fully furnished accommodation, return air fares, education allowance, pension and discretionary bonus.

Please send a detailed Curriculum Vitae to: **Roy Webb, Managing Director, Jonathan Wren International Ltd., 170 Bishopsgate, London EC2M 4LX, Tel: 01-623 1266, Telex: 8954673 WRENCO**

Jonathan Wren International Ltd
Banking Consultants

NEW OPPORTUNITY

IN MILAN

INTERNATIONAL FINANCE

As part of a major expansion programme, an international financial institution has opened offices in Milan and now requires a Marketing Executive to develop and expand the company's export finance, corporate lending, and other business in Italy. The selected applicant will be fluent in Italian and English, and will be able to demonstrate a sound international background in the marketing of financial services. Ambition and the ability to respond to a demanding new challenge in a green field environment are essential. The remuneration package offered reflects the importance of the position. Please reply in confidence to:

The Personnel Manager
Box A0050, Financial Times
10 Cannon Street, London EC4P 4BY

SALES PROFESSIONAL

GLOBAL ELECTRONIC MARKETS COMPANY (GEMCO)

A partnership of McGraw-Hill and Citibank, has a vacancy for a European Sales Executive based in London or Hamburg. This individual will join a successful team to assist in marketing the GEMCO electronic commodities trading system in Europe. Applicant must have sales and comodities markets' experience. The primary requirements for the job are a good understanding of English, enterprise in seeking out, establishing, and developing potential customers, and extensive international travel. Salary starts at $40,000 with the opportunity to earn sales commissions in excess of that amount. Application in English to:

Mr. Brenton W. Harries
President and CEO
GLOBAL ELECTRONIC MARKETS COMPANY
437 Madison Avenue, 32nd Floor
New York, New York 10022, USA
Telephone: 212-593-1414
Telex: 420325 GEMCO UR

RECRUITMENT POSITIONS OF

SENIOR ENGINEERS

FOR

SAUDI ARABIA

We are a Korean contractor named Kuk Dong Const. Co. Ltd. *now performing project 13/6/4 in Safwa, Saudi Arabia, one* of Moda Proj. We intend to hire British for job descriptions and employment terms below.

One person—Senior Architect—experienced not less than six years in interior design, two years contractor employee and two years' service in Middle East.

One person—Senior Mechanical Engineer—experienced not less than seven years in HVAC, two years contractor employee and two years' services in Middle East. ASTM project experience required.

One person—Senior Electrical Engineer—experienced not less than seven years in electrical design, two years' service in Middle East. ASTM (NEC FS) project experienced required.

Their actual work includes: z

Routine co-ordination with client;
Occasional supervision of construction;
Routine review of submittals (a) materials, (b) shop drawing, (c) technical appraisal.

Employment terms include:

Bachelor status on site, three leaves per year of two weeks with pay and round ticket, 10 hours working, six days a week, free medical care in Saudi, site facility quarters single room, Western food, Japanese car, 5 per cent own payment Saudi social insurance. Salary range US$2,500-US$3,000 per month.

Replies and curriculum vitaes to:

113 Upper Richmond Road, London SW15 2TL

CERTIFICATES OF QUALIFICATIONS

DEAN

UNIVERSITY OF MANAGEMENT SCIENCES

Applications are invited for the post of Dean at the Lahore Graduate School of Business Administration

LGSBA is a School of the Lahore University of Management Sciences - a new private University with charter granted by the Government of Pakistan. The aim of the sponsors is to develop this School into a 'Centre of Excellence' for management education in Pakistan.

The MBA classes will begin in September, 1986 and the annual intake of students will build to 100 by 1988. The School will offer Management Development Programs for both middle and senior level managers.

The School is located in the beautiful city of Lahore, the cultural and intellectual centre of Pakistan.

Candidates must have a record of significant leadership in academic setting as well as demonstrated understanding of the higher educational environment. This is a challenging assignment and requires a commitment to excellence in program development and the ability to provide leadership *for establishing a new Graduate School. The Dean will* delineate academic and research direction and play an important role in the building of the campus of this new School.

The School offers a professional working environment, internationally competitive salary and an attractive benefit package. Initial contract will be for two years.

Please send your application with curriculum vitae by March 22, 1986 to;

Director LGSBA
103-C/2; Gulberg III Lahore 11 - Pakistan.

Kargar

BAHAMAS INTERNATIONAL TRUST COMPANY LIMITED

invites applications for the position of

QUALIFIED AND EXPERIENCED TRUST OFFICER

The successful applicant must hold the Trustee Diploma of the London Institute of Bankers and will have had at least seven years' experience in all aspects of practical trust administration. Some practical experience of company administration work would be advantageous.

Responsibilities will include day-to-day administration of complex trusts, executorships and associated investment management accounts on his/her own initiative and participation in the on-the-job training of graduate trainee administrators.

Applications, together with a résumé of qualifications and experience, should be forwarded to:

The General Manager, BITCO
P.O. Box N-7768, Nassau, Bahamas
not later than 14th March, 1986.

Accountant

Required by Large Organisation in the Middle East

Young, qualified Accountant to join small investment team which is responsible for the control and monitoring of the performance of substantial investments overseas. Will include formulating policies to assist the Overseas Portfolio Managers, advising on investment opportunities and on selection of Investment Managers.

Previous experience in the field useful although not a necessary attribute.

Salary circa STG 16,000 p.a. Generous Provident Fund. Free furnished accommodation, education allowances, air passages to and from place of employment and annual leave.

Applications with c.v. to:
Box No. A0054, Financial Times,
10 Cannon Street, London EC4P 4BY.

Appointments Wanted

Experienced, industrial manager, 40, very dynamic personality with proven success, seeks a new challenge in

INTERNATIONAL TRADE

in East/Southeast Asia. Good knowledge of local mentality (Asian wife), established contacts in the area. Fluet in G.E.F. Interested in trade development, export/import, transportation and logistics. Contacts under *Box A.0055, Financial Times,* 10, Cannon St. London EC4P 4BY.

Thames TV sets summer date for share flotation

BY RAYMOND SNODDY

A PUBLIC flotation of shares in Thames Television, the largest independent television company, has been provisionally set for the end of June.

A total of 49 per cent of the company, at present owned equally by Thorn EMI and BET, is to be offered although about 10 per cent is expected to be reserved for staff.

The Independent Broadcasting Authority (IBA) has for some years been asking that the company's share structure should be widened.

The matter became urgent after an £82.5m bid for Thames b yCarlton Communications was blocked by the IBA last October.

Considerable emphasis is likely to be placed during the flotation on getting a wide spread of share ownership to comply with IBA wishes.

Plans to advertise the shares directly to the public on Thames Television are being actively considered, something the IBA is like to approve.

Thames, where Mr Richard Dunn is managing director, and its financial advisers are acutely aware that there is only a brief window of opportunity to offer the shares before Thames becomes enmeshed in the next round of IBA franchising.


Mr Richard Dunn, managing director of Thames Television

Existing ITV franchises are due to be re-advertised before Christmas 1987 for decision in early 1989. But several factors appear to be working in the favour of Thames.

It is expected the company will be able to announce record pre-tax profits of between £14m and £15m for the 1985-86 financial year.

Within that total the recovery of the UK advertising market will boost domestic earnings relative to overseas sales which have ben effected by the weakening of the dollar against sterling.

The very act of offering sharse to th public might increase their security by making it more likely that Thames retains its franchise.

It is widely believed that *Southern Television lost its* franchise to Television South last time round because it ignored IBA hints that its ownership should be broadened.

In the year to March 1985 Thames profits of £8.7m were entirely dependent on a £13.6m contribution from the sales of programmes and programme

Lukewarm response to Templeton share offer

By Lucy Kellaway

The offer for sale of shares in Templeton Galbraith & Hansberger, the international fund management group, has met with a lukewarm reception, with the 30m shares on offer to the public only one and a half times subscribed. Altogether, 40m shares were being sold, but of these, 10m had already been firmly *pledged to institutional investors.*

Mr Stephen Carden from Cazenove, the issue's sponser, denies that the response was disappointing. "I think it was very good, actually. We didn't expect the man in the street to come in for something so *rarified," he said.*

Templeton is the largest foreign company ever to obtain a primary listing in London, valued at £344m. Mr John Templeton, the 73-year-old founder of the company, who developed its global investment techniques more than 30 years ago, stands to make more than £55m from the flotation.

Treetops hotel sold to BET subsidiary

By David Goodhart

The famous Treetops Hotel in Kenya, where the Queen was staying when she heard of her father's death, has been sold to United Transport International, BET's £400m turnover transport subsidiary.

UTI, through its Kenya-based touring and hotel group, United Touring Company (UTC), already held a *33 per cent stake in Block* Hotels Management Limited, which manages a number of hotels, including Treetops, the Naivasha and Outspan Hotels and the 400-bed Nyali Beach Hotel on the Kenya coast.

AC Cars agrees to £1.9m bid

BY CHARLES BATCHELOR

AC Cars, designer of the famous Cobra racing car marque but now primarily a property company, has agreed to a £1.9m takeover bid from a London stockbroker, Mr William West.

AC, which in recent years has been involved in the more mundane production of invalid cars and trailers, still services Cobras at its depot in Thames Ditton, South West London.

It derives the bulk of its profits, however, from renting commercial property on the rest of its site.

The manufacture of Cibras is still carried out under licence by Autokraft, a small, unrelated vehicle assembly company.

Mr West, a partner and head of the London office of Australian stockbrokers, Potts West Trumbull, has reached agreement with AC's directors on a 95p cash per share offer for the company.

AC's shares leapt 40p to 125p yesterday, well ahead of the offer price. Mr West has the irrevocable undertakings from AC's directors and their families to acept the offer in respect of their 1.26m shares, or 63.1 per cent

Mr West intends to retain AC's Stock Exchange listing and *revitalise AC, initially* concentrating on the development of its property related activities. The service depot still occupies a very large part of the Thames Ditton site.

AC made a pre-tax loss of nearly £24,000 in the six months ended March 1985, compared with a loss of £73,000 previously. Turnover fell from £868,000 to £136,000.

The company also booked an extraordinary debit of £15,000 compared with a credit of £63,000 representing a provision for a guarantee relating to Pem Trailers, which went into liquidation.

Mr Derek Hurlock, the chairman, and his son, Andrew, plan *to resign after the offer goes* through.

Mr West will become chairman and Mr Charles Cecil, a non-executive director of Raglan Property Trust, will also join the board.

Wates City in £34m cash call

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

Wates City of London Properties, the property investment company floated in 1984, yesterday announced a sharp increase in profits and a £33.8m rights issue.

The company earlier this month signed a £56m credit facility to repay existing borrowings and to help finance the next phase of its development programme. Yesterday's cash-raising exercise—by way of a three-for-10 rights issue of 30.3m ordinary *shares at 115p each*—will provide further funds for new office projects in the City.

Wates reported a 1985 net rental income of £5.7m (£3.4m) *and a rise in pre-tax profits from* £1.5m in 1984 to £4m. The directors forecast net rental income and pre-tax profits each at about £7m in the current *year.*

The excellent profits performance reflects recent, strong growth in City of London rents and Wates' particular success in achieving higher than expected rents on some of its properties. At City Tower in Basinghall Street, rents of £35.50 a sq ft have been achieved, against the developer's original expectations of £26-£28 a sq ft.

Net assets per share of Wates City rose by 11.5 per cent in 1985, from 118.5p to 132.1p. There is a final dividend of 1.54p making 2.31p net for the year and dividend payments in 1986 are not expected to be lower.

Members of the Wates family and the Wates Foundation will not be taking up their rights to subscribe for 7.2 per cent of the enlarged share capital and the shares are being placed by Morgan Grenfell with investment clients of Cazenove and Rowe & Pitman at 122p per share. The balance of the issue has been underwritten by Morgan Grenfell.

Wates City's developement and investment activities are confined to the Square Mile, and it says that demand for centrally located, modern City office space is likely to *continue to increase* as a result of changes taking place in the structure of the securities markets.

Wates disclosed yesterday that, with partners Friends Provident, it intends to seek planning permission to replace Winchester House, the 219,000 sq ft office complex in Old Broad Street, with a new building. The property was acquired jointly last year for £65.5m, with Wates holding 40 per cent of the freehold and currently taking £1.45m in rental income. Redevelopment of the building, which could include extensive rebuilding and the addition of new space, is unlikely to start before *the end of 1987.*

Thte company has several major developments currently under way, including the con*struction* of a 43,000 sq ft office building in Moorgate. The project will cost £22m, of which £13m has yet to be incurred. Wates also owns a lease on a *10-storey office* building in Cheapside and in Bow House, Cheapside, and has won planning consent to redevelop these and adjacent properties to *develop* a 140,000 sq ft office, banking and retail investment. Site assembly is proceeding and work will not start until autumn 1987 at the earliest.

Lonrho's £81m from Fraser

BY MARTIN DICKSON

Lonrho, the *industrial* and resources conglomerate, made a gross profit of £81m last year on the sale of its stake in House of Fraser, the department stores group *which was acquired by* the Egyptian Al-Fayed family in the face of strong Lonrho opposition.

The figures were disclosed yesterday *in Lonrho's annual report* for the year to September 30 1985.

Lonrho sold its 29.9 per cent stake in House of Fraser to the *Al-Fayeds in November 1984,* not then expecting them to bid for the company. The stake originally cost Lonrho just under £67m. It was sold for £138.3m, a gross profit of £71m.

Lonrho took a £49.1m profit on the sale as an extraordinary item, more than offsetting extra*ordinary charges elsewhere in* the group to give a net extraordinary profit of £30.9m.

Lonrho bought a further 7 per cent stake in House of Fraser *after the Al-Fayeds launched* their bid for £29.5m and then sold it for £39.3m, making a £9.8m profit which was taken into the accounts as part of its *financial services profits, which* rose from £9.7m in 1984 to £19.6m.

Lonrho made pre-tax profits last year of £158.3m (£135.4m) *on turnover up from £2.3bn to* £2.59bn. Interest receivable was £22.4m (£15.5m) and the interest charge totalled £88.7m, against £85.3m the year before. The depreciation charge was £35.6m (£33.8m). Tax totalled £75.6m (£66.1m) and earnings per share were 25.6p (20.9p).

Loans longer than one year totalled £494.4m (£531.2m) at the year-end, while short-term loans and overdrafts totalled £211m (£192.3m).

A breakdown of activities showed that motor and equipment distribution provided £27.3m of pre-tax profits (£24m) *manufacturing* £19.4m (£11.2m), general trade £15.4m (£16.7m), leisure wines and spirits *£28.7m* (£28.6m), mining and refining £40.1m (£36.7m), financial services £19.6m *(£9.7m)* and agriculture £7.8m (£8.5m).

The pay of Mr Tiny Rowland, Lonrho's chief executive, rose from £322,861 in 1984 to £392,285, while that of Sir Edward du Cann, the chairman since November 1984, totalled £102,100.

Samuel Props. issues £20m debenture

Samuel Properties announced yesterday the issue of £20m first mortgage debenture stock, which *will be used in part* to finance last week's purchase by a subsidiary of five freehold properties for £10.15m. The rest of the money will be used to *reduce the group's short term* borrowings.

The stock, which is being placed by Hill Samuel, carries an *11 per cent coupon, matures* in 2016, and was priced yesterday afternoon at £97.955, to yield 11.243 per cent; 0.85 per cent more than the yield on Treasury 13 1/5th 2004-08. The stock is partly paid, with £25 due on application and the remainder on April 25.

The stock is secured against ties, all of which are fully let, include two modern office blocks in Surrey and *in Piccadilly,* London, a department store in Camberley, Surrey, and two warehouses in Sussex and *Devon.*

Thte stock is secured against a portfolio of properties, which have been value at £36.9m.

Brokers to the issue are Quilter Goodison.

Debron drops below the £1m mark at year-end

Debron Investments, formerly *known as Carpets International,* returned pre-tax profits of £950,000 from a turnover of £46.2m in 1985.

Below the line there was an extraordinary loss of £12.93m (nil) on the sale of a subsidiary.

The profits comprise the combined results of the group as a trading concern up to October 14 and the results as an investment trust from that date until end-December.

A breakdown of the profits on that basis was £780,000 up to October 14 and £170,000 from that date to December 31.

At year-end the group's principal investments had a value of £26.02m. It also held cash on deposit amounting to £5.32m.

For the 1984 year pre-tax *profits totalled £1.42m and were* achieved from a turnover of £73.25m.

The past year's pre-tax profits took in other operating income of *£110,000 (£240,000)*, a £1.27m (£2.93m) share of associates profits, £160,000 (nil) from dividend income and interest income of £200,000 (£220,000).

Distribution costs accounted for £8.11m (£11.88m), administration expenses for £2.56m (£3.67m) and loans and overdrafts for £100,000 (£1.76m).

Basic earnings emerged at 1.3p (4.5p) per share. The directors have already announced that they were unable to recommend any dividend in respect of the 1985 year.

Rowland Gaunt

Rowland Gaunt, the clothing manufacturer which is soon to become part of Spong Holdings in an agreed deal valuing it at £3.6m, yesterday announced a deal of its own for Kinch and Lack, another clothing company. Gaunt is paying £1.3m for Kinch of which £1m is in cash.

Kinch and Lack had a turnover of £1.8m in the year to February 15 and recorded a pre-tax loss of £10,000.

Alexanders back in profit

Alexanders Holdings, the Scottish-based Ford main dealer, moved back strongly into the black in the second six months ended September 30 1985, to *return a full year pre-tax profit* of £251,000. This compared with a £165,000 loss previously.

Turnover was nearly £2m higher at a record £58.45m. At halfway, the company reported losses reduced from £348,000 to £49,000, on turnover of £25.2m (£25.7m).

As in previous years there is no dividend and the company proposes a one-for-ten scrip issue in ordinary or "A" ordinary shares. However, the board has *reviewed this policy in the light* of current trends and intends to pay dividends in the future.

Mr Bertie Loudon, the chairman, said the result was a welcome turnround from previous years and he noted that the figure was after substantial reorganisation expenses.

The group has continued to rationalise its premises and reduce its operating costs in order to further improve profitability. The company's tractor division in Edinburgh ceased trading after September 30 1985, the stock sold and the premises at Loanhead placed on the market for sale.

An offer has been accepted subject to planning and other *conditions for the Silvermills site* in Edinburgh and other properties surplus to requirements are on offer for sale.

After tax of £11,000 (nil) and extraordinary charges of £8,000 (£34,000) attributable surplus was £232,000 (£199,000 loss). The preference dividend costs £13,000 (same).

Stated earnings per share are

Ricardo up 57%

Taxable profits of Ricardo Consulting Engineers jumped by 57 per cent from £801,000 to £1.26m for the six months to December 31 1985, on turnover up 27 per cent at £7.79m, against £6.12m. The company believes prospects will remain favourable for the second half.

After tax of £478,000 (£371,000) earnings per 25p share climbed from 2.98p to 5.41p. The net interim dividend is stepped up from 0.875p to 1p — last year's total was 2.75p on record £2.12m profits.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
British Kidney	4	April 23	3.25	4	3.25
Crest Nicholson	2.65†	April 11	2.5	4.15	3.75
Grosvenor Props ......int	2.25‡	April 14	2	—	5.5
Harvey & Thompson int	1.75‡	—	1.5	—	4
Inv Tst Guernsey¶	4.75	—	4.25	7.25	6.5
NMW Computers†‡	3.5	—	*2.8	6	*4.8
Raine Inds ......int	0.22	April 25	0.2	—	0.75
Romney Trust	3.35	April 2	3.1	5	4.6
Wates City†	1.54	—	0.53	2.31	0.53

Dividends shown in pence per share except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Gross thro ughout.

BASE LENDING RATES

ABN Bank	12½%	■ Guinness Mahon	12½%
Allied Dunbar & Co.	12½%	■ Hambros Bank	12½%
Allied Irish Bank	12½%	Heritable & Gen. Trust	12½%
American Express Bk.	12½%	■ Hill Samuel	§12½%
Amro Bank	12½%	C. Hoare & Co.	12½%
Henry Ansbacher	12½%	Hongkong & Shanghai	12½%
Associates Cap. Corp.	12½%	Johnson Matthey Bkrs.	12½%
Banco de Bilbao	12½%	Knowsley & Co. Ltd.	13 %
Bank Hapoalim	12½%	Lloyds Bank	12½%
Bank Leumi (UK)	12½%	Edward Manson & Co.	13½%
BCCI	12½%	Meghraj & Sons Ltd.	12½%
Bank of Ireland	12½%	Midland Bank	12½%
Bank of Cyprus	12½%	■ Morgan Grenfell	12½%
Bank of India	12½%	Mount Credit Corp. Ltd.	12½%
Bank of Scotland	12½%	National Bk. of Kuwait	12½%
Banque Belge Ltd	12½%	National Girobank	12½%
Barclays Bank	12½%	National Westminster	12½%
Beneficial Trust Ltd	13½%	Northern Bank Ltd.	12½%
Brit. Bank of Mid. East	12½%	Norwich Gen. Trust	12½%
■ Brown Shipley	12½%	People's Trust	13½%
CL Bank Nederland	12½%	PK Finans. Intl. (UK)	13½%
Canada Permanent	12½%	Provincial Trust Ltd.	13½%
Cayzer Ltd.	12½%	R. Raphael & Sons	12½%
Cedar Holdings	13 %	Roxburghe Guarantee	13 %
■ Charterhouse Japhet	12½%	Royal Bank of Scotland	12½%
Citibank NA	12½%	Royal Trust Co. Canada	12½%
Citibank Savings	¶12½%	Standard Chartered	12½%
City Merchants Bank	12½%	TCB	12½%
Clydesdale Bank	12½%	Trustee Savings Bank	12½%
C. E. Coates & Co. Ltd.	13 %	United Bank of Kuwait	12½%
Comm. Bk. N. East	12½%	United Mizrahi Bank	12½%
Consolidated Credits	12½%	Westpac Banking Corp.	12½%
Continental Trust Ltd.	12½%	Whiteaway Laidlaw	13 %
Co-operative Bank	*12½%	Yorkshire Bank	12½%
The Cyprus Popular Bk.	12½%		
Duncan Lawrie	12½%		
E. T. Trust	13 %		
Exeter Trust Ltd.	13 %		
Financial & Gen. Sec.	12½%		
First Nat. Fin. Corp	13½%		
First Nat. Sec. Ltd.	13½%		
■ Robert Fleming & Co.	12½%		
Robert Fraser & Ptrs.	13½%		
Grindlays Bank	‡12½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.70%. 1-month 9.80%. Top Tier—£2,500+ at 3 months notice 12.08%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 9% gross.
¶ Mortgage base rate.
§ Demand dep. 8¾%. Mortgage 13%.

COMPANY NEWS IN BRIEF

SENIOR ENGINEERING Group's *wholly owned subsidiary Senior* Machine Tools has purchased a major portion of plant and machinery, goodwill, drawings and trade-marks, together with stocks in work-in-progress, from receivers of Joshua Bigwood and Son for an estimated cash consideration of £190,000.

CSC INVESTMENT Trust's net asset value per 25p share slipped *from 150.61p to 142.93p in 1985.* Gross revenue for the year totalled £360,679 (£301,858). Net revenue emerged at £161,398 (£158,045) after tax of £75,339 *(£82,556). Earnings amounted to* 9.81p (8.39p). A final dividend of 5.75p (5p) makes a net total of 9.35p (8.5p).

JOHN KENT *has contracted with* the receivers of Acuman for the purchase for £0.5m cash of its five leasehold properties, and goodwill of the name and custo*mer list of Acuman.*

YEARLING BONDS totalling £2.75m at 12 1/16 per cent, redeemable on February 25 1987, have *been issued by the following* local authorities: Derby City Council £1m; Restmorel Borough Council £0.25m; Chester (City of) £0.75m; Lincoln (City of) £0.25m; Dudley Metropolitan Borough Council £0.5m.

INVESTMENT TRUST of Guernsey increased net asset value per 50p share to 178p (166p) at *the end of 1985. After-tax* revenue for the year rose from £730,000 to £839,000 giving earnings per share of 6.1p (5.4p). A final of 4.75p gross makes a 7.25p *(6.5p) total.* A dividend/scrip option is proposed.

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No one can touch Baskin-Robbins when it comes to selling ice-cream.

Last year over 300 million people bought their ice-cream through 3,000 Baskin-Robbins outlets.

They were also voted America's favourite fast-food chain for the third year running.

Obviously in the States they think Baskin-Robbins is as American as Apple Pie.

Which is hardly surprising as it's run entirely by Americans. But it's owned by Allied-Lyons, a British company.

The story is much the same with the Doughnut Corporation of America.

They provide the ingredients and the machinery for bakers to produce 15 billion doughnuts each year.

Yes, it too is owned by Allied-Lyons.

Then there is Tetley Inc. with its substantial business in iced tea, tea bags and coffee.

Together these companies contributed a mouthwatering £32 million to our record pre-tax profits of over £219 million last year.

Allied-Lyons
GOING ON GROWING

UK COMPANY NEWS

Crest Nicholson growth pegged by bad weather

BY FRANK KANE

THE COLD weather last winter affected Crest Nicholson, property developer, builder and manufacturer, in 1984-85, and pre-tax profits of £9.2m were only 8 per cent ahead of last year's £8.52m.

Mr Roger Lewis, the chief executive, said that the result for the period to October 31 was "a fine performance, especially when you bear in mind that last year's outcome was exceptional, being 55 per cent up on the previous year."

He said that a high level of activity took place towards the close of the year, and was confident on current prospects and the outlook for next year, which would see the full benefit of the acquisition last October with C. H. Pearce.

With turnover up from £90.84m to £110.02m, margins slipped by a full per centage point to 8.4 per cent. The company's main activity, property development, showed only a marginal increase in profits at £8.92m (£8.81m) on turnover ahead 27 per cent at £65.81m (£51.7m).

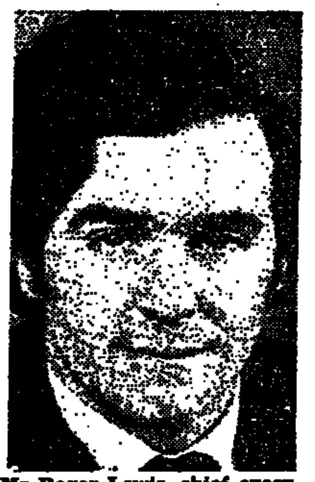
Mr Lewis said that the housing market, especially in the main area of operation, the south east, remained satisfactory, despite the movement in interest rates. "We have the right number of good sights in the right locations so that 1986 should see another year of record growth. Commercial property was also successful, he added.

The group's commercial and industrial activities returned £1.68m (£901,000) pre-tax on turnover of £43.07m (£38.79m). The Lamson cash collection side was particularly good, and benefited from the now-reorganised BVS business acquired last year.

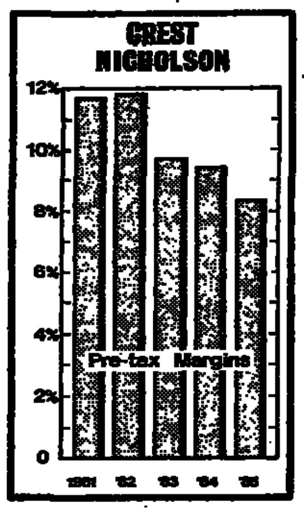
The Crofton optical group, which distributes Polaroid and other spectacles, increased profits, as did the Calorex swimming pool heat-pumps business, though this was a cause of some concern in its Florida operations, said Mr Lewis.

En-tout-cas, the all-weather surfaces business, "did well to contain losses in a continuing difficult market," said Mr Lewis.

The dividend for the year is raised from 3.75p to 4.15p with a final of 2.65p (2.5p).



Mr Roger Lewis, chief executive of Crest Nicholson



● comment

These figures surprised nobody — they were virtually spelt out when Pearce was bought. A rise of 8 per cent is not very impressive, but the weather last winter and early spring was a justifiable mitigation — laying concrete is difficult in sub-zero temperatures. Eyebrows were raised at the gearing level of 93 per cent, but this has been reduced by the Pearce issue and in any case is not excessive for a company with extensive and quickly realisable property assets—it will fall to a more healthy 70 per cent or so by next year end. Last summer the talk was of a rights issue, but this is not on after the 58 per cent equity increase last October, and the directors maintain the rights rumours were always an analyst's invention. For 1986, taking around £3m from Pearce, £14m looks achievable and, at yesterday's 140p, a 37 per cent tax charge puts the p/e at 10 times—still a good buy. But shareholders will hope that next time the interim rate of dividend increase can be maintained for the final.

Ashley Industrial in £1m acquisition

By Alice Rawsthorn

Ashley Industrial Trust, which has turf and timber interests, is expanding into the battery acquisition of Statebright for £1m. Ashley, which plans to raise £700,000 through a rights issue, has just hauled itself back into the black despite a pronounced reduction in turnover.

Statebright, which trades under the name Capitol Batteries and holds the UK distribution rights to Mitsubishi batteries for milk floats and fork lift trucks, will be acquired through the issue of 328,164 new ordinary shares in Ashley, £492,249 in cash and £343,669 in loan stock.

The acquisition is conditional on securing the approval of Ashley's shareholders and its value will be reduced if Statebright fails to meet its profit targets for the 1986 and 1987 financial years.

Ashley's shares, which rose on the initial announcement, closed down 2p on the day at 75p.

Nobody from Ashley was available to comment on the raison d'etre for the acquisition or on how Statebright would fit into the company's existing portfolio.

In the year to September 30, Ashley's turnover fell from £1.67m to £1.47m, although the company dragged itself out of the red to turn losses of £269,000 into pre-tax profits of £62,000.

NMW lifts profits by 20% and plans £2.8m rights issue

BY LUCY KELLAWAY

NMW Computers, the UK's largest stock processing bureau, yesterday announced a 20 per cent increase in 1985 pre-tax profits to £1.5m, a one-for-four rights issue to raise £2.8m, and confirmed plans to become a clearing member of the Stock Exchange in a joint venture with Barclays.

The proceeds of the rights issue, the terms of which are one-for-four at 220p, will be used to buy two mainframe ICL computers, which will allow the company to take on the increased business expected as a result of deregulation of the Stock Exchange.

Pre-tax profits of £1.5m (£1.3m) were achieved on sales of £7.7m (£4.1m), and included for the first time a 12-month contribution from Timon, the specialist software company acquired in 1984.

Timon, which develops systems for investment management and market making, made profits of £230,000 compared with a small loss included in the previous year's figures. The final dividend is 3.5p (2.5p) for a total of 6p.

The company reports a record number of new stockbroking customers for its traditional accounting service, although notes that these will not effect profits until the current year. NMW's computer bureau now processes about half of all transactions on the Stock Exchange.

The joint venture company with Barclays, in which NMW will have a 49 per cent stake, is due to be formed next month, and should be operating as an independent clearing member before "big bang" in October. The only other company so far to have become a clearing member is Hoare Govett.

NMW had previously been in discussion to become a joint member with Citibank, but these talks have been called off following the discovery of "technical incompatibilities," Mr Nigel Banister, managing director, said yesterday.

● comment

The market's immediate displeasure at NMW's rights and results was a little surprising. The profits were exactly as the City had forecast, and the rights seem a sensible way to fund needed expansion, and so a 20p fall in the share price to 275p appears a little harsh. Most of the progress last year came from the software systems company, with the bureau business suffering from the expensive inflow of new customers. This new business will generate higher profits in the current year, implying profits of at least £2.1m for the year, and perhaps considerably more, depending on the timing of large contracts for Timon's software systems. The link up with Barclays looks exciting, although it will not effect profits for another year or so. However, until then neither will it be a drain on funds, as both NMW and Barclays will be bringing their existing know-how to the party. The shares are not too expensive on a prospective p/e of about 12.

UDO HOLDINGS is acquiring P. J. Foster and Co (Manchester) for £325,000, satisfied by the issue of 124,550 ordinary shares, all of which will be placed on completion by Hill Samuel at 275p each.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
4th qtr.	103.6	101.5	106	112.7	164.0	3,103	153.9
1985							
1st qtr.	106.5	103.1	105	113.4	132.9	3,138	152.6
2nd qtr.	108.4	103.9	105	115.0	141.4	3,174	161.7
3rd qtr.	108.6	104.0	94	116.3	145.2	3,179	164.4
4th qtr.	109.2	104.8		116.6	177.7	3,174	168.2
May	108.8	103.7	109	115.3	142.0	3,177	160.7
June	107.8	104.2	118	115.9	141.8	3,169	163.4
July	107.9	103.4	90	115.9	146.9	3,175	163.0
August	108.4	104.4	95	117.5	145.4	3,183	162.9
September	109.6	104.1	97	115.6	143.7	3,179	167.3
October	109.2	104.2	102	115.0	149.8	3,173	172.6
November	110.5	105.1		117.4	164.8	3,167	179.0
December	108.0	105.0		117.3	210.4	3,184	162.1
1986							
January				116.0		3,205	159.7

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
4th qtr.	102.2	98.9	106.4	100.4	106.4	99.3	13.3
1985							
1st qtr.	103.3	102.5	109.7	103.7	110.1	99.9	13.8
2nd qtr.	103.3	104.2	112.9	104.6	115.9	100.3	18.6
3rd qtr.	105.1	102.2	113.4	103.5	115.0	103.3	17.1
4th qtr.	105.5	105.3	112.8	105.6	110.7	103.3	15.5
July	104.3	101.3	112.6	103.0	114.0	102.0	18.7
August	105.7	102.7	112.4	104.0	117.0	105.0	15.6
September	105.3	102.6	115.1	104.0	114.0	103.0	17.1
October	104.1	105.1	113.5	105.0	111.0	102.0	19.6
November	105.7	105.8	114.9	106.0	112.0	104.0	16.5
December	106.7	105.1	110.1	106.0	110.0	104.0	10.3

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1985							
1st qtr.	120.5	128.5	−1,283	−408	+1,862	98.5	13.53
2nd qtr.	120.6	126.0	−222	+1,435	+2,368	98.2	14.32
3rd qtr.	116.0	123.7	−543	+1,162	+1,932	100.6	14.18
4th qtr.	119.6	127.1	− 7	+1,359	+2,087	101.9	15.54
June	118.4	126.9	−216	+336	+843	99.1	14.32
July	117.0	123.0	− 77	+491	+663	99.4	14.26
August	113.4	123.3	−236	+333	+626	101.3	14.26
September	114.6	124.7	−230	+338	+644	101.1	14.18
October	119.1	125.7	9	+400	+760	101.2	16.31
November	118.9	129.1	−132	+268	+675	102.6	15.98
December	120.7	126.5	+125	+691	+652	102.0	15.54
1986							
January							15.69

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,112	13.50
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,068	12.50
3rd qtr.	5.5	15.4	11.6	17.5	1,771	3,340	11.50
4th qtr.	1.4	25.1	17.8	17.7	2,299	3,379	11.50
May	4.2	33.2	18.4	17.7	615	1,037	12.63
June	5.7	44.6	25.1	20.2	401	974	12.50
July	4.4	19.1	8.3	16.8	650	1,109	11.50
August	2.4	22.9	14.4	21.8	524	1,113	11.50
September	1.1	5.2	12.3	14.1	597	1,118	11.50
October	1.5	24.9	19.8	18.7	796	1,124	11.50
November	3.0	21.5	20.4	17.6	638	1,078	11.50
December	2.7	29.1	14.2	17.0	865	1,177	11.50
1986							
January	9.8	14.4	11.1	11.4	770		12.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
2nd qtr.	170.3	138.8	139.4	375.3	339.4	278.13	78.9
3rd qtr.	174.4	133.1	140.2	376.3	335.5	251.12	82.2
4th qtr.		132.7	141.4	378.1	337.4	n/a	79.8
June	171.9	136.7	139.6	376.4	340.1	278.13	79.9
July	173.7	133.9	139.9	375.7	336.3	269.51	83.6
August	173.4	132.8	140.1	376.7	335.3	254.34	81.6
September	176.1	132.7	140.5	376.5	335.8	251.12	81.4
October	173.9	131.3	140.9	377.1	335.5	249.46	80.4
November	176.7	132.1	141.5	378.4	337.4	n/a	80.0
December		134.8	141.8	378.9	339.4	n/a	79.1
1986							
January		135.2	142.9			n/a	76.6

* Not seasonally adjusted.

هكذا صدر الأصل

UK COMPANY NEWS

Ian Rodger on Thos. Robinson's bid for Wadkin

A tooling problem

Thomas Robinson, the revitalised Lancashire engineering group, may be trading on difficult ground in at least one aspect of its £9.9m agreed bid to take over Wadkin, the Leicester-based machinery maker.

The problem is that industrial conglomerates, both in the UK and elsewhere, have a very poor record in managing the machine tool companies they acquire.

In the UK, the TI Group built up a major stake in machine tools in the 1960s through acquiring Churchill and Matrix, but it has rarely extracted *satisfactory* profits from this division. Vickers too has had a long struggle with Kearney & Trecker Marwin, bought in the early 1970s. In the US, groups such as Bendix, White Consolidated Industries and Amca have all had their troubles with machine tool companies.

So is Thomas Robinson going to don any better? "I sincerely hope so," says new chairman Graham Rudd with a laugh.

In fact, the comparison with big industrial conglomerates like Vickers and TI is probably not that fair. At least not yet. Thomas Robinson is tiny, with sales of only £11.4m in 1984, and its only two significant product lines are cereal milling *machinery* and *woodworking* machinery. Also, Wadkin is not so much a machine tool company as a woodworking machinery company which has a machine tool offshoot accounting for 25 per cent of turnover.

However, Robinson's purchase of Wadkin is widely seen as only the first step in a plan to become a much larger industrial holding company. Interest in Robinson, which has long been *a sleepy Rochdale-based engineering* company was initially rekindled last year by the revelation that Williams Holdings, the *fast-growing* engineering group, had a 10 per cent stake.

Then in September, Mr Rudd, who is the brother of Mr Nigel Rudd, chairman of Williams, bought a 12.5 per cent stake in Robinson and took active control as chairman.

Robinson shares surged from a low of 37p early last year to a high of 168p by the end of 1985, and have carried on rising this year. At 182p before the Wadkin deal was announced, the shares were valuing Robinson at £7.28m, which was a *25 per cent premium on the net* asset value at the end of 1984.

It is that kind of rating that makes acquisitions possible, even of companies like Wadkin, which is three times the size of Robinson. Wadkin had been one of

> **Wadkin ran into management difficulties *last year* both in its US sales office and at home. Some 240 redundancies were declared, management was restructured, the group fell back into loss in the second half and the shares tumbled.**

the minor success stories in the beleaguered UK machine tool industry in the early 1980s.

Under the direction of Mr Michael Goddard, who became chairman in 1980, it developed new products to catch up with the *Japanese* and, *for a while,* it seemed to be on a strong recovery path, both in the market place and in profits. After three *years* of losses, it made pre-tax profits of £465,000 in 1984. The shares climbed from a low of 32p in 1982 to a high of 148p early last year.

However, the company ran into management difficulties last year, both in its US sales office and at home. Some 240 redundancies were declared, management was restructured, the group fell back into loss in the second half and the shares tumbled.

At one point, the shares were back down to 92p, representing a 56 per cent discount on net asset value at the end of 1984.

That made it possible for Robinson to make an offer which Wadkin could not refuse. The offer, which consists of one Robinson share for each of the 4.8m Wadkin shares, valued Wadkin at £8.7m at the time it was made, and it is higher now because of the continuing rise in the Robinson share price. Even the cash alternative of 165p values it at £7.9m, well above the market *value* on Wadkin shares.

Mr Goddard, whose family holds an 18 per cent interest in the company, may have preferred to stay independent, but, as he says, "I have to act in the shareholders' interest."

Having said that, he seems content with the outcome. He, and his deputy chairman, are to join the Robinson board, and he foresees no immediate impact on the Wadkin businesses.

The new group will likely move *first to* bring together the woodworking machinery divisions. Mr Goddard says the *two are complementary;* Robinson specialises in band re-saws (for secondary sawing of logs) while Wadkin is further downstream in fine cross-cut and moulding saws.

As for the troublesome machine tool business, Mr Goddard would like to carry on improving the group's product line. It has specialised in vertical machining centres, a sector in which it is the UK market leader, but the word in the market is that Wadkin has bought its position and growth with very low margins.

However, some observers wonder if the machine tool division, now that it will be a much smaller portion of the enlarged group, which might be a candidate for disposal. Mr Rudd denies this, saying that he believes it has tremendous potential.

But if Robinson did sell, it would no longer have to worry about falling victim to that curse of industrial conglomerates.

Theme up 58% and plans USM quote

Theme Holdings, the restaurant and public house group, yesterday reported a near 58 per cent increase in full-year profits and disclosed that it is in the throes of joining the USM.

The profit increase, from *£205,000 to £323,000 pr-tax for* the year to end-October 1985, mainly reflected a strong performance by Theme's three core West End restaurants, Peppermint Park, Coconut Grove and Fatso's Pasta Joint, and was slightly better than the forecast made when the company joined the over-the-counter market last March.

Mr Roger Myers, the chairman, said yesterday that the restaurants managed to increase turnover by 11 per cent despite last summer's poor weather which, in particular, prevented the Coconut Grove from benefiting from the full potential of its outside seating capacity.

Group turnover, of which restaurants account for around *95 per cent, rose from* £2.49m to £3.06m and, together with a near two point *improvement* in margins, generated a higher operating profit of £308,000 against £205,000.

The chairman said that the company's application to join the USM should be considered by the *Stock* Exchange early next month, which would suggest a quotation towards the end of that month.

This *move,* he *said, should* "give us the power to make acquisitions with our shares" and will be conducted via a straightforward introduction of Theme's 5.5m shares, which have a 2p par value.

City analysts anticipate an opening price of something approaching 50p which would value the group at around £4.75m. Nearly half of the shares are owned by institutions and the directors account for nearly 38 per cent.

Like its name, the company's restaurants and pubs are usually furbished on a theme basis.

Expansion plans involve turning the Kingston Mill pub adjacent to the river Thames at Kingston into a split level themed restaurant and bar, the opening next week of restaurant premises at the Quadrant, Richmond, and the first Fatso, Pasta Joint frachise will open early *next month in Hertfordshire.*

Further franchises for Fatso's Pasta Joint which offer customers the chance to eat as much as you like for a flat price, are set to be established in and around London while the Peppermint Park is soon to undergo a revamp following the award of a licence to sell drinks without food.

Rationalisation benefits give Raine £0.3m profit

Raine Industries, the housebuilding and engineering group, has recorded a pre-tax profit of £320,000 and earnings of 1.02p per share for the half year ended December 31 1985. The interim dividend is raised from 0.2p to 0.22p net.

The results represent a substantial improvement in the group's affairs and show the benefit of the rationalisation programme to date, the directors state.

They are confident that the year's results will demonstrate a continuance of the present trend. The group is in a strong financial position from which to finance further growth, they tell shareholders.

In the first half of 1984-85 the group incurred a loss of £97,000, having been affected by the miners' strike with the Newcastle steel rolling company having a particularly bad time. By the year-end the group had recovered to a profit of £408,000, helped by a £298,000 exceptional credit, against £615,000 in the preceding year.

Grosvenor Props. downturn

DESPITE A loss incurred in the half year ended September 30 1985 and the expectation *of* lower profits over the year as a whole, the directors of Grosvenor Square Properties Group are to pay the forecast 6p dividend.

They say that certain strategic changes instituted over the past year should lead to increased activity and a marked growth of profits in 1987, 1988 and beyond. They look to the future with sufficient confidence to *justify dividends at 6p for the* current year. They are raising the interim from 2p to 2.2p net.

For the year ended March 31 1985 the dividend total was 5.5p, from a pre-tax profit of £1.6m.

In the 1985 half year, the group fell into loss of £189,000, compared with a profit of £34,000, which chairman Mr P. B. Marber attributes to the lack of any *significant completions of* developments.

However, moves have been made which would influence the likely *profits to the year end.* Certain sectors of the office investment market have shown signs of weakness and a greater emphasis has been put on retail schemes.

At the same time, there has been an added concentration on larger projects, for which more sophisticated financing methods have been adopted. Full benefits cannot necessarily be seen in the short term.

Mr Marber says the substantial increase in the capital and trading base resulting from the acquisition of Pinstone Holdings last June is providing good opportunities for growth.

At present the group's committed development programme represents an estimated value on completion in the order of £80m, something over double what is was at the beginning of the year.

The integration of Pinstone is complete and the realisation of its development projects, combined with other existing group developments, is well under way.

A number of new projects have also been initiated recently, including forward funded office developments in St Albans, East Grinstead and Fleet, and retail schemes in Hereford, Carmarthen and Rayleigh.

In the 1985 half-year sales were down to £1.86m (£4.38m) on which the gross profit was £207,000 (£255,000). But much higher interest charges outweighed an increase in other *income, to leave the loss.*

BOARD MEETINGS

TODAY

Interims: Coin Industries, Dale Electric International, Dialene, Media Tech*nology International, Photo-Me International*, Plessey, Star Computer, TR City of London Trust, Tor Investment Trust.

Finals: ASEA, Anglo-American Securities, British Petroleum, Crown International Products, Drayton Japan Trust, F. and C. Enterprise Trust, Lancashire and London Investment Trust, Arthur Lee, River and Mercantile Trust, Trencherwood, Ward Holdings, Waterford Glass.

FUTURE DATES

Interims—	
Bracken Mines	Feb 27
Kinross Mines	*Feb 27*
Leslie Gold Mines	Feb 27
Tottenham Hotspur	Feb 21
Unisel Gold Mines	Feb 27
Winkelhaak Mines	Feb 27
Finals—	
Ault and Wiborg	Feb 28
Capital and Counties	Feb 25
Jacobs (John I.)	Mar 27
Ozalid	Feb 25
Turner and Newall	†Mar 20
Watmoughs	*Mar 18*
Yelverton Investments	Feb 28

† Amended.

UK COMPANY NEWS

Baker Perkins £11m US deal

BY LIONEL BARBER

Baker Perkins, which makes plant and machinery for the food, chemical and printing industries, yesterday announced an agreed merger with Sterling, a New Jersey-based manufacturer in plastics processing in a cash deal worth $15.8m (£11.1m).

The offer will take the form of a tender priced at $23.50 per share and is being made through Baker Perkins North America, a wholly-owned US subsidiary.

The acquisition will be financed by medium term bank loans amounting to $10m and a placing of 2m new ordinary shares in Baker at 235p per share, through Morgan Grenfell and Hoare Govett, to raise £4.65m, net of expenses.

The placing is conditional on Baker Perkins acquiring more than 50 per cent of Sterling's issued share capital. Sterling's own directors, who hold 31.1 per cent of common stock, have granted Baker Perkins options to purchase these shares.

For the year ending March 31 1985, Sterling reported net sales of $26.1m, representing earnings of $1.97 per share.

If the merger goes ahead, Baker intends to integrate its existing US plastics business, covering machinery design and distribution, with Sterling's.

It is hoped that Sterling may be able to place some of the work currently placed with sub contractors to Baker's plant in Michigan.

Harvey & Thompson profit 52% ahead at midway

CONTINUED improvement in the loan book, coupled with a reasonable contribution from the Lewis Group, has enabled Harvey & Thompson to show a marked increase in results for the half year ended December 28 1985.

Turnover rose by 79 per cent, from £699,000 to £1.25m, while the pre-tax profit showed a 52 per cent advance, from £194,000 to £295,000, after interest paid of £111,000 (£79,000). Principal activity of the USM-quoted Harvey & Thompson is pawnbroking; the Lewis Group, a Scottish-based debt collector, was acquired last October.

The interim dividend is being lifted from 1.5p to 1.75p net at a cost of £66,000 (£47,000). Chairman Mr R. A. Galliers-Pratt says providing the group continues to make good progress, he would hope that a further increase could be made in the second half. The final payment last year was 2.5p.

Mr Galliers-Pratt reports that lending is continuing to advance and all branches show substantial increases in January. This justifies the policy of continuing to establish new branches nationwide.

Last month Harvey purchased the loan book of a Coventry-based company trading as Goodman & Sterling. Reports so far are encouraging and the chairman is hopeful this business will make a good contribution in the current year.

Lewis Group is continuing to expand its services and customer base. Although the initial costs of setting up the Stephenson Agency have proved greater than expected, the business is performing well and he is confident that it will continue its development.

Tax takes £113,000 (£90,000), leaving the net profit at £182,000 (£104,000) for earnings of 5.32p

CONTRACTS

CONSTRUCTION

Scottish housing orders for Wimpey

Housing contracts totalling £5.74m have been awarded to the Scottish region of WIMPEY CONSTRUCTION UK, a subsidiary of George Wimpey. The first of three contracts awarded by the Scottish Special Housing Association, valued at £1.76m, is for construction of 82 homes and a community block in Firrhill Drive, Firrhill, Edinburgh South. To be built in traditional brick, there will be 17 two-storey and 12 one-storey cottages; 48 two-storey flats; two two-storey wardens' houses, and four one-storey disabled persons' houses. The second, valued at £1.16m, is for construction of 46 two-storey houses in Brunt Court, Dunbar, East Lothian. To be built of traditional brick/block, completion is due in March 1987. Access roads, paths and services are included in the contract. Under the third, valued at £750,000, 32 homes of traditional brick/block construction will be built in Coronation Road, Peterculter. The contract, for six single-storey cottages for disabled persons; 10 single-storey sheltered cottages; six two-storey cottages, and 10 two-storey flats, will be built by April 1987. Landscaping and services are included in the contract. A contract, valued at £2.07m, awarded by the Edinburgh District Council, is for the modernisation and upgrading of 255 houses in Restalrig Drive, Edinburgh. Work comprises minor interior alterations including redecoration; renewal of plumbing and electrical installations; new central heating; thermal insulation, and installation of door entry and television aerial systems. External work will involve sundry repairs and maintenance, decoration and renewal of water mains, and the contract is due for completion in January, 1987.

Range of work for Llewellyn

Contracts, worth £7.75m have been awarded to the LLEWELLYN GROUP. The Greater London Council has placed a £1.8m contract for a further 55 timber-frame houses at Thamesmead. In Eastbourne, two private developments with a total of 48 homes are together worth £850,000. For a similar sum, The Milton Keynes Development Corporation has appointed Llewellyn Construction as contractors for 34 houses and flats at Willen Park. Commercial developments include a £750,000m Do-it-All store at Ealing for W. H. Smith. At Harrow, a block of shops costing just over £500,000 is to be built for Next. Both these schemes were negotiated in conjunction with a development company and are being sold as total packages with the land. Two refurbishment contracts in Brighton total £1.7m. In the Hotel Metropole (Brighton), 66 bedrooms are to be upgraded and, at the British Telecom offices, Southdown, one floor is being remodelled to form a computer centre.

The Greenall Whitley Group, for which Llewellyns is restoring The Grand Hotel Brighton following the IRA bombing in 1984, is to proceed with a new bedroom wing and conference suite to The Bull Hotel at Gerrards Cross for £1.3m.

Water works at Norwich

MAY GURNEY, Norwich, has been awarded a £2m contract for a raw water intake works on the River Wensum at Costessey, near Norwich. Drinking water for the City of Norwich is currently taken from the River Wensum at Heigham, an arrangement which is unsatisfactory because of the limited raw water storage facilities available at Heigham Works. The scheme also involves a pumping station with two sets of pumps, one to transfer the water from the river for storage in the disused gravel pits and the other to transfer the water from the pits via a new raw water main to Heigham Treatment Works at Norwich. The scheme will commence in mid-February and is due for completion in August 1987.

Rehabilitation projects

D. J. HIGGINS & SONS has won eight contracts in the private and public sectors totalling £10.4m for construction and rehabilitation projects. The contracts include: Conversion and extension of existing building into elderly persons' accommodation at Aldersbrook Hostel, Brading Crescent, Wanstead, E.11, for Springboard Housing Association; rehabilitation of flats and provision of lift at Carpenter House, Pleshey Road, Brecknock Road Estate, N.7, and rehabilitation of flats at Halsbury House and Loreburn House, Loraine Estate, Biddestone Road, N.7, for the London Borough of Islington; erection of houses and flats at Eisenhower Drive, North Beckton Estate, E.16, for the London Borough of Newham; repairs and improvements to flats at Pitcairn House, Frampton Park Estate, Hackney, London, E.9 for the Greater London Council; and modernisation of dormitory block, RAF Northolt, West End Road, Ruislip, HA4 6NG for the Property Services Agency.

CLUGSTON CONSTRUCTION has made a good start to the year with orders in excess of £5m. The largest awards include a £1.7m ESMI unit and day hospital at King's Lynn for the East Anglian Regional Health Authority, a £1m beet handling facility at Peterborough for British Sugar and new tarehouse and prescaler foundations for the same client at its York and Brigg factories.

GENERAL

Rolls-Royce to design US warship engine

A team composed of ROLLS-ROYCE and American manufacturers ALLISON AND GARRETT has been awarded a contract worth over £1m by the US Navy for preliminary design work on an advanced cycle gas turbine system proposed for future medium sized US warships. The system being put forward by the trio is based on Rolls-Royce's high-efficiency marine Spey engine and incorporates an intercooler and regenerator designed by the Garrett Corporation's AiResearch company, which will also package the complete unit. The team is spearheaded by the Allison gas turbine division of General Motors. The preliminary design contract, placed by the US Naval Sea Systems Command in Washington, DC, follows a feasibility study into intercooled regenerative systems. Similar studies were also performed by Pratt and Witney and General Electric, but only GE are competing with the Allison/Garrett/Rolls-Royce team in the design phase.

★

The US Navy has awarded PACER SYSTEMS, INC. a contract valued at about $10m (£7m) to test and validate software for use aboard airplanes, helicopters and surface ships. The contract, awarded through the Naval Air Development Centre (NADC), Warminster, Pennsylvania, is for one year with the Navy having the option to renew the contract for two one-year options.

★

SULZER BROS (UK) is to provide three compressor trains for Rolls Royce requiring a total of 18 MW of electrical drive power. Valued at over £3m, the order is for a compressed air station for an engine test plant in Bristol. Completion is scheduled for February 1987.

Management network

British Telecom/National Networks has awarded a contract worth £500,000 to TECH-NEL DATA PRODUCTS for network management equipment. The equipment will be used on British Telecom's own data networks as well as on the Customer Service System (CSS). British Telecom's CSS will provide its customers with a single contact point for communication with all British Telecom services whether to place an order, check a bill or report a fault. The system will eventually be extended to cover some 30 sites nationwide and the Tech-Nel equipment will provide monitoring, intelligent intervention switching and diagnostic information. The system offers data channel monitoring and alarming, and network reconfiguration is catered for with switching to standby equipment. The flexibility in construction allows the system to offer the features the user requires at a central site and at remote network sites.

Protection against fires

Manchester based WORMALD FIRE SYSTEMS has won an order for the installation of fire protection systems on land in the UK worth nearly £2m. Wormald is to supply on a design and construct basis an extensive range of fire control and protection systems at the MoD Donnington ordnance depot in Shropshire being rebuilt after a fire in 1983. The large size of the facility calls for the supply of some 80 miles of piping. It will take nearly a year to complete the installation of all the necessary systems which include 19,000 sprinker heads and water storage tanks with a combined capacity of 1.5m gallons.

Detecting underwater craft

FERRANTI is to supply replacement computer facilities worth £1.5m for the British Underwater Trials and Evaluation Centre (BUTEC) BUTEC operates a trials range fitted with underwater sensors. The main purpose of the new system is to use the signals from these sensors to compute the positions of surface and underwater vehicles on the range. This will help to ensure range safety and the data will also be used for the detailed analysis of underwater vehicle performance. Installation is due in August 1987.

★

DAWSON has been awarded contracts valued at nearly £2m for the supply of bottling plant to UK and overseas customers. the contracts include a bottling plant ordered by Unigate for its Chadwell Heath depot. This will include a British built comeback Dairy Soaker Washer with a capacity of 640 bottles per minute.

PUBLIC WORKS LOAN BOARD RATES

Effective February 19

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	12¼	—	—	13¼
Over 1 up to 2	12¼	12¼	11¾	13¼	13¼	12¼
Over 2 up to 3	11⅞	11⅞	11⅝	12⅞	12⅞	12⅜
Over 3 up to 4	11¾	11⅝	11½	12¾	12⅝	12½
Over 4 up to 5	11⅝	11⅝	11½	12⅝	12⅝	12½
Over 5 up to 6	11½	11½	11⅜	12	12	11⅞
Over 6 up to 7	11½	11½	11⅜	12	12	11⅞
Over 7 up to 8	11½	11⅜	11¼	12	12	11⅞
Over 8 up to 9	11½	11⅜	11¼	12	11⅞	11⅞
Over 9 up to 10	11⅜	11⅜	11	11⅞	11⅞	11¼
Over 10 up to 15	11⅜	11¼	10⅞	11⅞	11⅝	11½
Over 15 up to 25	10⅞	10⅞	10½	11⅝	11½	11
Over 25	10⅞	10½	10⅜	11½	11	10⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

BUSINESS LAW

Conflicts that the courts cannot resolve

By A. H. HERMANN, Legal Correspondent

THE COURTS can hardly manage the business which they are properly called upon to perform, and still their time is being abused by petitions which are either frivolous or unsuitable or impossible for them to resolve: appeals to delay payment of arbitration awards, charterparty actions brought on fanciful ground to enable the shipowner to profit from rising freight rates, boardroom battles generated by a frenzy of takeovers and now a family dispute between two barristers, the Lord Chancellor and Mr Robert Alexander, the chairman of the Bar.

The unfortunate judge trying this dispute will be criticised whatever he decides. A decision in favour of the Bar will bring on his head suspicion of bias in favour of his friends and colleagues in the Bar. A decision in favour of Lord Hailsham will make people ask *whether he could be really disinterested* in a case brought against the authority on which his promotion depends.

However, such abuse of the courts is on a small scale when compared with that which results from governments' unwillingness and inability to settle conflicts between their business and economic policies by negotiation and bargaining. This has nearly brought about a transformation of the European Court into a political institution deciding the outstanding conflicts of economic policies on which the Council of Ministers is unable to agree.

While the political role of the European Court seems unavoidable, the transatlantic frictions caused by the extraterritorial reach of US antitrust law could and should be avoided.

On the eve of the publication of President Reagan's proposals for curbing of the harshness of US antitrust laws, the Public Finance Foundation, the research branch of the Chartered Institute for Public Finance, held a seminar* on the painful encounters of British public and private enterprises with these laws. It was chaired by Mr Edmund Dell, the former Secretary of State for Trade *(1976-78)*. ....

The mood was one of bitter helplessness. Sir Alan Neale, deputy chairman of the Monopolies and Mergers Commission, discussed at some length the idea put forward originally by Professor Kingman Brewster, a former US ambassador in London, that conflicts of legislative jurisdiction could be solved by comity—the mutual respect of courts of different countries—and that the US judges should be able to weigh the relative national interests involved and refuse the application of antitrust laws if foreign interests prevail.

Sir Alan did not seem convinced that this offered a solution. The comity proposal had been shown repeatedly to be *nothing but a sop to pacify* foreign governments whose companies were exposed to a trial by the ordeal of immensely costly discoveries of evidence and interminable *litigation of preliminary issues.*

It is quite natural that American judges will consider the economic policies of their own government more important. Universal application of its laws comes naturally to every great empire since Roman times. The relative unimportance of state frontiers within the US makes it tempting to *transfer rules governing the relationship* of American states to relations with foreign countries. As the world shrinks and interdependence of trade intensifies, the universal application of a single system of law appears necessary and *often* seems unavoidable.

However, there seems to be no end to the difficulties which result from the misguided belief that such a single system of law can be applied unilaterally. The freezing of Iranian accounts in foreign subsidiaries of US banks posed a threat to the City which was removed only by the release of the US hostages. In the Siberian pipeline embargo, the attempt to impose US rules on foreign firms provoked a rare example of co-ordinated defensive action by European countries, Australia and Canada.

The conflict of policies in the field of shipping generated antitrust suits against some 15 leading companies which form line conferences but was removed in 1984 when Congress exempted shipping from the impact of US antitrust laws. US shipping is rather weak and needs to be protected against competition. No such exemption is available to civil aviation where the US is in a strong position and desires competition.

The Westinghouse uranium litigation has been settled but it will take some time for the trading partners of the US to recover from the realisation that US courts were prepared to award crippling damages and to punish non-US uranium producers for nothing worse than adopting defensive restraints on competition after the US had threatened their survival and development by an embargo on imports and by releasing its stockpiles — *two measures which* have at the time taken the bottom out of the market.

Will the reform of US antitrust law proposed by the Administration bring some relief? The proposals are likely to link the application of antitrust laws with trade protection laws for the first time. This corresponds with the new wave of protectionism rising in the US. The plans are expected to include the removal of treble damages from "rule of reason" cases, that is where antitrust infringement does not follow automatically from the law but has to be proved by economic evaluation.

However, the new proposals can hardly remove international conflicts over allegations that foreign firms have engaged in conspiracies held to be criminal under the Sherman Act, as was the case of shipping, of uranium and of Laker litigations. Moreover, *the Democrats are likely* to stop the legislation in Congress. In that case, European governments would be well advised to go back to basics.

The Sherman Act was brought in after the Civil War, when the US Government feared the emergence of trusts in a predominantly agricultural country with a sprinkling of small industries. These circumstances *no longer exist.*

The real motive for the application of antitrust laws was better stated by Mr Joel Davidow of the US Department of Justice, when he said† that the US applied its antitrust laws ". . . to punish, remedy and deter international offences which cause direct substantial injury to important economic and legal interests (of the US)."

It is abundantly evident—and not least to judges called upon *to try such disputes — that conflicts* of important economic interests cannot be resolved by courts. As judge Wilkey, of Laker fame and now US Ambassador in Uruguay, asked in a public lecture recently: "If there is conflict of political/economic policy between nations when those policies spill over borders, does this not call for negotiation and *adjustment* of the perceived political/economic needs of the nations in conflict? First to *define and then to adjust* those political/economic needs is whose primary task, the courts *or the political organs of our* Government?"

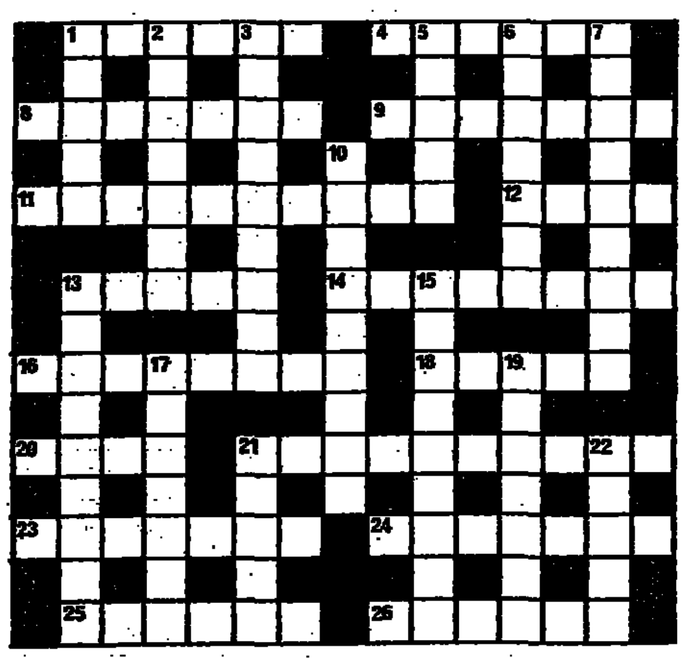
Litigation is a very clumsy and very costly method of resolving conflicts on economic policy. It is also unfair if governments leave it to individual firms, however big they may be, to fight out in court what are essentially national issues. These can be properly *solved only* by bargaining but unfortunately, neither the US nor the UK seem to be well equipped institutionally for such bargaining.

Though there is the office of the President's Trade Representative, the US still speaks with many voices when it comes to conflicts of this kind, and in the UK the division of responsibility between the Department of Trade, Foreign Office and the Lord Chancellor's Office *is* not very helpful either. A Department of Foreign Trade which could integrate foreign and domestic interests of the UK and assemble an expert and effective negotiating team might be of use.

** British public and private enterprises and American antitrust legislation, February 18 1986.*

† International Chamber of Commerce Conference, Paris, March 12 1981.

FT CROSSWORD PUZZLE No. 5,953



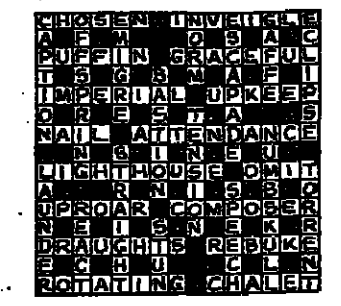
ACROSS

1 Touch-type? (6)
4 Scared of a female sally (6)
8 Abernethy, say, softened by drink (7)
9 A river once more backs up and falls (7)
11 Earliest piece of rock-music? (6-4)
12 Please start (4)
13 Its oriental dishes cannot be taken out (5)
14 One whose grave charge proves effective? (8)
16 Not 19? Boy amends score —— (8)
18 —— little woman accepts it, showing goodwill (5)
20 Mostly loose change for capital (4)
21 Defied Dot's order in Welsh congress (10)
23 Notice lines of the literary Anthony (7)
24 It is the Virginia elk—run quickly! (7)
25 Gnome reciting (6)
26 Grantchester's things put out —about four? (3-3)

DOWN

1 Civil newsreader? (5)
2 Does, perhaps, get round policemen for a tie-breaker (7)
3 Hide outside? (9)
5 Fellow taking Heather for an impetuous dance (5)
6 Symbolic study of schools (7)
7 List of people to control Circle Line (9)
10 Infantry slack and unrestrained (9)
13 Welcoming banks for 21 ac? (9)
15 Draw at Maltese resort (9)
17 Resting-place of castles in the air? (7)
19 Rodin so terribly confined (7)
21 Perfume mostly comes from this W. German city (5)
22 Location of film-director's attack? (5)

Solution to Puzzle No 5,952



APPOINTMENTS

Barclaycard senior post

Mr Tim Ward has been appointed assistant general manager of BARCLAYS BANK'S Barclaycard division, with responsibility for finance, legal, international card strategy and relationships with other Visa banks in the UK. Mr Ward, who takes up his new post on March 3, is currently Barclays deputy group general manager in Italy.

★

Lord Kimball has been appointed a director of UK PROVIDENT INSTITUTION. He is chairman and non-executive director of Maybox.

★

Mr Peter Bates has been appointed a director of GENERAL TECHNOLOGY SYSTEMS from March 3. He is currently deputy chairman of Plessey Electronic Systems and is a member of the British Overseas Trade Board.

★

Mr C. S. Eaves, finance director of Philips & Drew, has been appointed to the board of BURY F.C.

★

The UNION DISCOUNT COMPANY has made the following board changes from April 1. Mr John Sclater will become deputy chairman in succession to Lord Remnant, who will be remaining on the board. Mr Graeme Gilchrist, group managing director, will, in addition, become an executive deputy chairman.

★

The B. & R. TAYLOR GROUP has appointed Mr Liam Ferguson group financial director and Mr Clifford Afflick deputy managing director of two of the group's principal subsidiaries. Mr Ferguson joined the group as chief accountant in March 1985 from Price Waterhouse. Mr Afflick is group technical director and a director of Taylor Hitec. His two additional directorships are at B. & R. Taylor and Taylec.

★

Mr David Ross is to become general manager of TORONTO DOMINION BANK'S Europe, Middle East and Africa division based in London succeeding Mr Carl Malmaeus who has been appointed general manager, corporate banking division at the bank's head office in Toronto. Mr Ross was previously in charge of the bank's Chicago office.

★

BRITISH ISLAND AIRWAYS has appointed Mr Ralph Erskine to the board. Mr Erskine, previously BIA's engineering manager, now becomes engineering director.

★

CITICORP VENTURE CAPITAL (CVCL), the venture capital arm of Citicorp Investment Bank, has appointed Mr Brian Havill and Mr Sandy Smart directors.

★

The board of directors of CBC UK, the new UK insurance broking subsidiary of Lloyd's reinsurance brokers, Carter Brito e Cunha, comprises Mr Clive Sasserath, chairman, Mr Colin Brown, Mr Patrick Cregg, Mr Peter Hicks, Mr Christopher Kenny and Mr Bill Martin.

★

Mr C. G. Renton has been appointed managing director and Mr D. S. Wareing, deputy managing engineering director of T. BLAKEBOROUGH & SONS, a subsidiary of Hopkinsons Holdings.

★

C. T. BOWRING SPACE PROJECTS has appointed Mr C. M. Neville as chairman in place of Mr A. H. Bolton who remains on the board. Mr B. G. Moore has been appointed managing director, in succession to Mr Keville and Mr S. Harker has been appointed an assistant director.

★

Mr J. F. Heard has retired as company secretary of IMRY PROPERTY HOLDINGS. Mr Albert M. Shaya has been appointed company secretary and chief accountant.

★

The ASSOCIATION OF BRITISH CONSORTIUM BANKS has elected Mr Jan Ankarcrona, managing director of FennoScandia, chairman for the year 1986-87. Mr Peter A. Belmont, managing director of Libra Bank, becomes deputy chairman and other members of the executive committee are Sir John B. Hall, managing director, European Brazilian Bank, Mr K. Yoshioka, managing director, Associated Japanese Bank (International), Mr G. J. Sapstead, managing director, International Commercial Bank, and Mr P. J. W. Taplin, chief executive, UBAF Bank. Mr A. C. Haken, financial controller, FennoScandia, has been appointed honorary secretary to the Association.

★

EDELMAN DALE FINANCIAL COMMUNICATIONS has appointed Mr Alan J. Kennard as director following the merger of the business activities of Alan Kennard Associates with Edelman Dale Financial.

★

Mr Stephen Huddle has joined the board of BERKELEY EXPLORATION & PRODUCTION as commercial director.

★

Mr David Martyn has been appointed buying director of LILLYWHITES, a division of Trusthouse Forte. He joined last May as trading director.

★

Sir Frank Ereaut, recently retired Bailiff of Jersey, has been appointed a director of STANDARD CHARTERED BANK (C.I.).

★

MEADOW FARM PRODUCE has appointed Mr Richard Field as sales director, replacing Mr Brian Glynn who has left the company. Mr Field formerly ran the Milton Keynes plant. Mr David Bill is to leave the main board, becoming manager of Meadow Farm (Southern) in Tunbridge Wells.

★

The MERCHANT NAVY OFFICERS PENSION FUND has appointed Mr Paul Reed as deputy investment manager in place of Mr Philip Henderson who now concentrates his time on the affairs of Ensign Trust in which the MNOPF has a major shareholding.

★

Mr Peter Laister, formerly chairman and chief executive of Thorn EMI, has been appointed a non-executive director of FLUOR GREAT BRITAIN. Also joining the board are Mr Roger Kitley, sales director, and Mr Bryan Meekey, director of operations.

★

Mr Tim Hayward is to succeed Mr Guy Parsons as partner in charge of the PEAT MARWICK'S UK insolvency practice on April 1. He is currently partner in charge of the insolvency practice for the London region.

Mr Mike Tate, former City Editor of The Scotsman, has joined the MOORGATE PUBLIC RELATIONS as a senior consultant. Mr Alex Walters has also joint as a consultant.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
80 Holdenhurst Rd, Bournemouth (0345) 717373

	Bid Price	Offer Price	+ or −	Yield Gross
High Income				
Gilts & Fixed Int.	111.6	117.4	+0.3	10.22
High Inc Equity	83.7	89.0	+0.4	5.56
Worldwide Bond	171.1	185.0	—	5.99
Capital Growth				
American Growth	148.5	157.7	−0.1	1.87
Asian Pacific	42.6	45.7	−0.7	2.74
Assets & Engy. Tt.	88.7	94.8	+0.4	1.74
Capital Reserve	61.2	65.5	+0.2	—
Commodity & Engy	64.6	69.1	−1.6	1.22
European Capital	73.4	78.6	+0.5	1.92
General	125.6	134.3	+0.6	3.16
Japan	59.3	63.4	+1.2	—
Mastertrust	54.9	58.3	+0.3	1.72
UK Growth Acc Units	119.6	128.0	+0.3	1.71
UK Growth Dist	83.6	89.5	+0.2	1.71
U.S. Emerging Co's	59.0	63.4	−0.1	0.41
Equities Prog.	181.3	193.0	+0.4	3.95

For Aitken Hume see Sentinel Funds Mngmnt Ltd

Allied Dunbar Unit Trusts PLC (a)(g)
Allied Dunbar Centre, Swindon, SN1 1EL (0793) 610366 & 28291

Balanced Trusts				
First Trust	200.9	214.8	−1.6	3.57
Growth & Inc Trust	121.9	129.8	+1.8	3.54
Capital Trust	214.1	228.0	+1.1	2.88
Balanced Trust	315.6	346.7	+1.9	3.40
Accum Trust	498.8	531.2	+2.9	3.20
Income Trusts				
American Income Tst.	29.6	31.5	+0.1	4.29
High Income Trust	225.2	237.7	+1.5	5.05
Equity Income Trust	119.6	127.4	+0.7	5.34
High Yield Trust	127.6	135.9	+0.5	6.10
Gov. Secs Trust	28.6	29.8	+0.1	9.66
International Trusts				
International Tst.	69.8	74.5	+0.4	1.95
Japan Trust	74.9	79.9	+0.4	0.01

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CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Oppenheimer Fund Mngt Ltd
66 Cannon St London EC4N 6AE Dlg 01 236 3885

International Growth	121.6	130.11	+2.0	1.00
Income & Growth	49.7	52.4	+0.2	2.90
Special Situations	70.3	75.1	+0.8	2.10
American Growth	32.5	34.8		3.10
Japan Growth	42.0	44.7	+0.7	0.00
European Growth	52.0	55.6xd	+1.0	2.90
UK Growth	47.5	50.8	+0.3	1.30
Pacific Growth	35.8	38.3	+0.3	0.70
High Income	29.2	31.3	-0.1	9.10
Practical Income Units	44.9	47.9	+0.1	2.70
Practical Accum Units	84.3	89.7	+0.1	2.70

Pearl Trust Managers Ltd (a)(g)
252 High Holborn, WC1V 7EB 01-405 8441

Pearl Growth Fd	79.0	84.0	+0.6	2.71
Accum Units	116.7	123.5	+0.7	2.71
Pearl Inc.	105.5	112.3	+0.6	4.04
Pearl Unit Tst	112.4	119.4	+0.9	3.49
(Accum Units)	191.5	204.0	+1.5	3.49
Pearl Intl Equity	104.2	116.2	+0.3	1.72
(Accum Units)	109.2	116.2	+0.3	1.72

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

International Growth	235.7	253.0	1.20
Income	167.7	179.6	5.18
Worldwide Recovery	132.9	142.5	1.96
American Growth	66.6	71.5	1.01
Intl Emerging Cos	71.4	76.3	0.47
Far East Growth Fd	58.2	62.5	1.10
European Growth Fd	49.0	52.6	2.0

Prolific Unit Trusts
222 Bishopsgate, London EC2 01-247 7544/7

Prolific American Inc	53.2	56.5xd	+0.1	4.82
Prolific Far East	128.1	137.7	+1.8	0.31
Prolific Extra Inc	73.7	78.2	+0.1	5.18
Prolific Gwth & Gilt	84.9	90.0xd	+0.4	5.93
Prolific High Inc	157.5	167.8	+0.8	4.40
Prolific Intl	96.9	103.7	+0.3	1.51
Prolific N. Amer	132.6	142.6	+0.7	2.17
Prolific Spec. Sits	175.7	186.8	+0.3	1.13
Prolific Technology	111.9	120.3	+0.4	0.67

Providence Capitol Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01 749 9111

Japan Inc.	61.1	65.1	+0.4	0.00
Japan Acc.	61.2	65.3	+0.3	0.00
Worldwide Inc.	61.7	65.7	+0.5	1.49
Worldwide Acc.	62.3	66.4	+0.5	1.49
European Tst Inc	75.7	80.6	+1.3	0.66
European Tst Acc	75.9	80.8	+1.2	0.66
North American Inc	54.1	57.6xd	+0.4	1.69
North American Acc	54.8	58.3	+0.4	1.69
UK Equity Inc	58.1	61.9	+0.1	2.62
UK Equity Acc	59.5	63.3	+0.4	2.62

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London EC2R 6BA 01-588 3903

PM Equity Growth	51.1	54.5	+0.3	2.26
PM Income and Growth	50.5	54.1	+0.1	5.10

Prudential Unit Trust Mngrs Ltd (a) (b) (c)
51-59 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377

Holborn Comm Trust	50.9	54.1		0.90
Holborn Equity Tst	366.4	390.7	+2.0	3.36
Holborn European Trust	71.1	75.6	+0.7	0.96
Holborn Gilt Tst	162.2	169.3	+0.8	8.64
Holborn High Inc	59.6	63.3	+0.2	6.95
Holborn Intl Growth	83.1	88.3xd	+0.1	0.79
Holborn Japanese Trust	67.8	72.1	+0.3	0.05
Holborn N. Amer. Trust	62.1	66.0		1.53
Holborn Spec. Sits	55.4	59.4	+0.3	2.72
Holborn UK Growth	73.7	78.3xd	+0.6	3.11

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen. Fd	373.3	399.3	3.29
Quadrant Income	205.1	218.2xd	6.12
Quadrant Intl. Fund	340.3	368.8	1.70
Quadrant Spec. Sits	228.7	243.3	2.36

Reed Stenhouse Inv Services Ltd
145 Borough High St, London SE1 1NV 01-628 6011

Wellington Inc	58.6	62.2xd	5.60
Wellington Growth	125.7	133.7	2.50

Reliance Unit Mgrs. Ltd
Reliance House, Tunbridge Wells, Kent 0892 22271

British Life	153.6	165.2	+1.2	3.44
Reliance Unit Tst (Inc)	101.0	107.4	+0.2	3.92
Reliance Un Tst (Accs)	132.5	141.5	+0.2	3.92

N.M. Rothschild Asset Management
St Swithin's Lane, London EC4 01-280 5456

Stewart Ivory Unit Trust Mgrs Ltd (a)
45 Charlotte Sq, Edinburgh 031-226 3271

American Fund	210.4	224.1		2.14
(Accum Units)	236.3	251.7		2.14
(Withdrawal Units)	152.3	162.2		2.14
Australian Fund	112.8	120.1	-0.8	0.97
(Accum Units)	114.0	121.4	-0.8	0.97
British Fund	518.4	552.1	+2.1	4.34
(Accum Units)	690.0	734.8	+2.7	4.34
European Fund	236.1	251.4	+2.7	0.96
(Accum Units)	248.6	264.7	+2.8	0.96
Japan Fund	241.9	257.6	+2.2	0.39
(Accum Units)	242.6	258.4	+2.2	0.39
Smith PPP	146.6	154.4	+3.2	—

Sun Alliance Fund Management Ltd
Sun Alliance House, Horsham 0403 56293

Equity Tst	353.0	375.5	+1.5	2.76
North American	54.3	57.7	-0.2	1.74
Far East	61.3	65.2	+0.1	1.98

Sun Life Trust Mgmt. Ltd
107 Cheapside, London EC2V 6DU 01-606 6010

American Growth Acc.	28.0	29.8xd	-0.2	1.7
American Income Acc	27.9	29.7xd		4.2
American Income Inc.	27.5	29.3xd		4.3
European Growth Acc.	42.7	45.4	+1.3	1.9
Far East Growth Acc.	31.5	33.5	-0.1	0.7
Intl Growth Acc	29.6	31.5	+0.3	0.8
Japan Growth Acc.	39.4	41.9xd	-0.1	0.3
UK Growth Acc	32.8	34.9xd	+0.4	2.1
UK Income Acc	28.4	30.2xd	-0.1	4.1
UK Income Inc	27.7	29.5xd	+0.9	4.2
Managed Growth Acc	34.4	36.6	+0.6	2.0
Managed High Yield Inc	33.0	35.1xd		6.7
Managed Income Inc.	29.4	31.3	+0.2	4.0

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)
99-101 London Rd, Sevenoaks 0732 450161

Equity Dist.*	241.9	255.9	3.86
Equity Acc.*	291.0	307.9	3.84
Fixed Int. Dist †	112.8	116.8	11.58
Fixed Int. Acc.†	165.4	171.3	11.58

*Prices on Feb 12. Next dealing Mar 12
†Prices on Feb 5. Next dealing March 5

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens House, Andover, Hants SP10 1PG
0264 62188 Dealings to 0264 63432-3

TSB American	109.2	116.2	+0.7	0.95
Do Accum.	113.7	121.0	+0.8	0.95
TSB Extra Income	96.7	102.9xd	+0.5	5.72
Do Accum.	112.9	120.2	+0.5	5.72
TSB General	143.7	152.9xd	+1.0	2.87
Do Accum.	233.8	248.8	+1.6	2.87
TSB Gilt & Fxd Int	46.7	48.7xd	+0.2	9.13
Do Accum.	59.9	62.4	+0.3	9.13
TSB Income	192.7	205.0	+1.4	4.59
Do Accum.	295.7	314.6	+1.5	4.59
TSB Pacific	122.6	130.5		0.73
Do Accum.	125.7	133.8		0.73
TSB International	358.6	385.8	+0.8	1.80
Do Accum.	329.7	350.8	+1.0	1.80
TSB Natural Resources	43.3	46.1	-0.3	2.53
Do Accum	44.2	47.1	-0.3	2.53
TSB Smlr Cos.	54.4	57.9	-0.3	1.91
Do Accum.	59.1	62.9	+0.3	1.91

3i Unit Trust Managers Ltd
2 St Mary Axe, London EC3A 8BP 01-928 3356

Small Co's Fund	68.9	73.2	-0.3	0.1

Target Trust Mngrs. Ltd (a)(g)
Target Hse, Gatehouse Rd, Aylesbury Bks (0296) 5941

American Eagle	73.7	78.5		0.44
Australia	20.7	22.1xd	-0.4	0.10
Commodity	72.1	77.4	-0.6	2.27
Energy	32.2	34.2xd	-0.6	1.59
Equity	113.4	121.8	+0.2	3.00
European Spec. Sits.	81.9	86.7	+1.7	0.28
Extra Income	100.3	107.5xd	-0.4	6.42
Financial	232.5	248.8	+2.0	2.02
Gilt Income	98.2	103.3xd	+0.4	8.64
Gold Income	57.8	62.0	+0.3	2.00
Gold Acc	105.3	112.8	+0.5	2.00
Income	73.9	78.9	-0.2	4.88
Japan	63.8	68.2	+0.7	0.10
Malaysia & Singapore	19.4	20.7	+0.3	1.35
Pacific Income	72.3	77.3	+0.4	0.09
Pacific Re Inv	88.6	94.8	+0.4	0.09
Preference Share	16.2	17.4xd	+0.2	10.20
Special Sits	77.2	82.3xd	-0.8	0.98
Technology	45.9	49.0xd	+0.3	0.10
UK Capital	57.5	61.6xd	+0.7	2.16
World Income Fund	49.5	52.7xd		7.18
Worldwide Capital	127.1	135.8xd	+0.3	1.85
Equity Exempt Feb 12	67.9	72.6		2.22
Equity Ex Acc Feb 12	127.3	136.1		2.12

Touche, Remnant Unit Trust Mngt Ltd

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL 0793 28291

Fixed Int. Dep Acc	213.4	224.7		—
Equity Acc	571.3	601.4		—
Property Acc	309.6	325.9		—
Far East Acc	115.8	121.9		—
Managed Cap	286.2	301.3		—
Managed Acc	461.5	485.8		—
O'seas Earnings Acc	377.8	397.7		—
Gilt Edged Acc	245.0	257.9		—
American Equity Acc	337.3	355.1		—
American Man Acc	162.5	171.1		—
American Prop Acc	123.4	129.9		—
Pen. F I Dep Cap	235.3	247.7		—
Pen. F I Dep. Acc.	358.9	377.8		—
Pen. Prop Cap	378.6	398.6		—
Pen. Prop Acc	638.2	671.8		—
Pen. Man. Cap	587.2	618.2		—
Pen. Man Acc	988.5	1040.6		—
Pen. Gilt Edg. Cap	254.4	267.8		—
Pen. Gilt Edg. Acc	350.0	368.5		—
Pen. Eq. Cap	944.0	993.7		—
Pen. Eq. Acc	1204.4	1267.8		—
Pen. Am. Eq Cap	133.0	140.1		—
Pen. Am. Eq Acc	143.1	150.7		—
Pen. Far East Cap	133.5	140.6		—
Pen. Far East Acc	143.6	151.2		—
Pen. B.S. Cap	247.9	260.3		—
Pen. B.S. Acc	368.0	386.5		—
Pen. D.A.F. Cap	262.8	262.8		—
Pen. D.A.F. Acc	262.8	262.8		—
Pen. Mortgage Cap	111.5	117.4		—
Pen. Mortgage Acc	120.0	126.4		—

Ambassador Life Ass. Co Ltd
80 Holdenhurst Rd, Bournemouth 0202 292345

Equity Fd Acc	116.2	122.4	+0.3	—
Equity Fd Cap	107.7	113.4	+0.3	—

Baltic Assurance Funds
11 New Street, London EC2M 4TP 01-493 9899

Managed Growth	227.99	239.99	-0.12	—
Managed Income	108.70	114.42	-0.66	—

Barclays Life Assur. Co Ltd
252 Romford Road, London E7 01-534 5544

Barclaybond	323.0	340.0	+1.2	—
Equity Accum	386.1	406.5	+2.2	—
Do. Initial	345.8	364.1	+2.0	—
Gilt-edged Accum	193.8	204.0	+0.6	—
Do. Initial	175.1	184.4	+0.6	—
International Acc.	233.8	246.2	+0.4	—
Do. Initial	210.3	221.4	+0.4	—
Managed Acc	274.7	289.2	+1.0	—
Do. Initial	248.2	261.3	+0.9	—
Money Acc	167.5	176.4		—
Do Initial	147.5	155.3		—
Property Acc	212.5	223.7		—
Do. Initial	191.9	202.0		(z)
America Acc	166.5	175.3	-0.1	—
Australia Acc	121.4	127.8	-0.9	(z)
Financial Acc	181.7	191.3	+1.0	(z)
"500" Acc.	192.2	202.4	+1.2	(z)
Income Acc.	212.3	223.5	+1.0	(z)
Japan & Gen Fund Acc	240.8	253.5	+0.3	—
Leisure Acc.	139.6	147.0	+0.9	—
Spec. Sits. Fd. Acc	108.5	114.3	+0.6	—
Universal Tec Acc	98.3	103.5	+0.8	—
European Growth Acc	111.8	117.7	+1.2	—
Equity Pen. Acc	133.1	140.2	+0.7	—
Do. Initial Srs 2	122.8	129.3	+0.7	—
Gilt Edged Pen. Acc	267.8	281.9	+1.3	—
Do. Initial Srs 2	107.2	112.9	+0.5	—
Int. Pen. Acc	123.1	129.6	+1.4	—
Do. Initial Srs 2	113.6	119.6	+1.3	—
Managed Pen. Acc.	362.0	381.1	+2.0	—
Do. Initial Series 2	117.4	123.6	+0.7	—
Money Pen.	237.0	249.5	+0.1	—
Do. Initial Series 2	105.6	111.2		—
Property Pens.	104.4	109.9		—
Do. Initial Series 2	95.8	100.9		—

Black Horse Life Ass. Co Ltd
346a High St, Chatham 0634 405161

Black Horse Man Fd	375.72		—
Income Fd	285.34	300.36	—
Extra Income Fd	265.53	279.51	—
Worldwide Growth Fd.	262.75	276.58	—

Continental Life Insurance PLC
64-70 High St, Croydon CR0 9XN 01-680 5225

Equity Acc	266.0	280.0	—
Property Acc	253.6	267.0	—
Int Acc	189.8	199.9	—
Managed Acc	234.1	246.5	—
Spec. Sits Acc	202.8	213.5	—
Investment Tst Acc	113.7	119.7	—
Pen Int Acc	206.7	217.6	—
Pen Prop Acc	315.5	332.2	—
Pen Equity Acc	400.1	421.2	—
Pen Mngd Acc	258.4	272.1	—
Pen F & C Man Acc	120.9	127.3	—
Pen Inv Trust Acc	133.0	140.1	—

Prices for other funds available on 01-377 8682

Cornhill Insurance PLC
57 Ladymead, Guildford 0483 68161

Equity Fd (A&B) Feb 12	211.0	222.5	—
Fixed Int (A&B) Feb 12	155.0	163.5	—
Man Growth (A&B) Feb 12	457.5	482.0	—
Money Fd (A&B) Feb 12	135.5	143.0	—
Cap Fd (A&B) Feb 15	332.0		—
G.&S. Spec Fd (A&B) Feb 15	140.5		—
Far East Growth (A&B) Feb 12	129.5	136.5	—
N. Amer Eqty (A&B) Feb 12	119.0	125.5	—
Intl Technology (A&B) Feb 12	102.0	107.5	—
Property (A&B) Feb 5	133.0	140.5	—

Credit & Commerce Life Ass. Ltd
74 Shepherds Bush Green, W12 8SD 01-740 7070

Life Funds

UK Equity	130.2	137.3	+1.1	—
American Equity	110.2	116.2		—
Far East Equity	109.5	115.5		—
Managed Fund Acc	326.0	343.0		—
International Equity	160.2	169.0		—
Gilt Edged	180.6	197.5	+10.2	—
Money Fund	138.9	146.5		—
CCL Henderson	131.2	138.4	+1.9	—
CCL Perpetual	176.2	185.8	+0.7	—
CCL Property	189.5	199.9	+3.8	—
Smaller Cos.	226.8	239.2	+5.8	—

Pension Funds

UK Equity	140.9	148.6	+0.9	—
American Equity	116.1	122.4		—
Far East Equity	116.9	123.3		—
Managed Fund Acc	343.9	362.9		—
International Equity	174.6	184.2	-0.1	—
Gilt Edged	249.5	263.2	+4.4	—
Money Fund	166.8	175.9	+0.2	—
CCL Henderson	129.3	136.4	+2.1	—
CCL Perpetual	146.9	154.9	+0.7	—
CCL Property	133.3	140.6	+2.6	—
Smaller Cos.	133.5	140.8	+3.8	—

Criterion Assurance Group
Swan Court, Petersfield, Hants 0730 63281

Ultimate Mngd Fund	146.1	153.8	+1.2	—
Criterion Mngd Fund	143.0	150.5	+3.4	—
Pension Mngd Cap	47.7	50.2	+1.7	—
Pension Mngd Acc	54.4	57.3	+3.0	—
Pen Guaranteed Dep Acc	32.2	33.9	+0.0	—

For closed Fund unit prices ring 0730 63281

Crown Financial Management Ltd
Crown Hse, Woking GU21 1XW 04862 5033

Life Funds

Managed Acc	281.8	296.6	—
Fixed Interest Acc	205.5	216.3	—
Equity Acc	328.6	345.8	—
Money Acc	166.5	175.3	—
Inv. Trust Acc	346.5	364.7	—
Intnl Acc	286.9	301.9	—
American Acc	98.0	103.1	—
High Income Acc	287.0	302.1	—
Property Acc	183.6	193.4	—
Japanese Acc	114.0	120.0	—
European Acc	141.9	149.3	—

Individual Pension Fund(s)

Managed Acc	237.8	250.3	—
Fixed Interest Acc	192.8	202.9	—
Equity Acc	330.2	347.5	—
Money Acc	159.0	167.3	—
Property	99.6	104.8	—
Investment Trust	111.5	117.3	—

Manufacturers Life Insurance Co (UK)
St George's Way, Stevenage 0438 356101

Managed	315.0	331.6
Property	247.2	260.2
Equity	337.3	355.0
Gilt Edged	309.6	325.9
Deposit	189.2	199.2
Investment	143.7	150.6
International	296.2	311.8

Pension Fund Prices

Managed Init.	277.7	+3.1	—
Do. Accum.	364.9	+4.3	—
Property Init.	210.1	+0.2	—
Do. Accum.	244.1	+0.4	—
Equity Init.	256.0	+4.4	—
Do. Accum.	347.3	+5.9	—
Gilt-Edged Init.	199.7	+2.8	—
Do Accum.	313.1	+4.6	—
Guaranteed Init.	141.1	+0.5	—
Do. Accum.	164.1	+0.0	—
International Init	357.5	+6.3	—
Do Accum.	415.4	+7.6	—
Index Lk. Gilt Init.	113.0		—
Do Accum.	137.1		—

Merchant Investors Assurance
Leon House, 233 High St, Croydon 01-686 9171

Property	294.9	—
Property Pens.	387.7	—
Equity	150.8	—
Equity Pens.	604.3	—
Money Market	267.1	—
Money Mkt. Pens.	454.8	—
Deposit	218.6	—
Deposit Pens.	326.1	—
Managed	294.1	—
Managed Pens.	486.3	—
Intl. Equity	268.0	—
Do. Pens.	379.5	—
Intl. Managed	247.6	—
Do. Pens.	324.2	—
North American	131.2	—
Do. Pens.	144.7	—
Far East	195.8	—
Do. Pens.	236.8	—
Intnl. Currency	150.9	—
Do. Pens.	188.4	—
Index Linked	115.8	—

Municipal Life Assurance Ltd
99 Sandling Rd, Maidstone 0622 679351

Initial Equity	120.0	126.5	+0.5	—
Initial Managed	119.0	125.0	+1.0	—
Initial International	118.0	124.5	+0.5	—
Initial Property	96.5	102.0		—
Initial Mainfund	106.0	112.0		—
Initial European	95.0	100.0		—
Initial Five Star	105.0	111.0	+1.0	—
Accum. Equity	140.5	148.0	+1.0	—
Accum. Managed	140.0	149.0	+1.5	—
Accum. Intl.	129.5	136.5	+0.5	—
Accum. Property	100.5	106.0		—
Accum. Mainfund	111.0	117.5		—
Accum European	95.0	100.0		—
Accum Five Star	109.0	115.0	+1.0	—
Pens. Init. Equity	139.0	146.5	+1.5	—
Pens. Init. Managed	109.0	115.5	+1.5	—
Pens. Init Intl	121.5	127.0	+1.0	—
Pens. Init. Property	114.5	121.0		—
Pens. Init. Mainfund	108.5	115.0		—
Pens. Init. European	95.0	100.0		—
Pens. Init. Five Star	112.5	119.0	+1.5	—
Pens. Acc. Equity	144.0	151.0	+1.5	—
Pens. Acc. Managed	121.5	128.5	+1.5	—
Pens. Acc. Intl.	131.0	138.5	+1.0	—
Pens. Acc. Property	120.5	127.5	+0.5	—
Pens. Acc. Mainfund	115.0	121.5		—
Pens Acc European	95.0	100.0		—
Pens Acc Five Star	113.5	120.0	+1.5	—

NEL Britannia Assce Co Ltd
Milton Court, Dorking, Surrey 0306 887766

Managed Cap Growth	95.3	100.3	+0.3	—
Managed Income	95.7	100.7	+0.4	—

NEL Pensions Ltd
Milton Court, Dorking, Surrey 0306 887766

Smt Exempt Tst Fd Cap	110.0	116.8		—
Smt Exempt Tst Fd Acc	116.2	122.3		—
Nelex Eq. Cap.	188.9	198.8		—
Nelex Eq Accum	345.2	363.4	+1.9	—
Nelex Gilt + F.I. Cap	84.0	88.4		—
Nelex Gilt + F.I. Acc	131.7	138.6		—
Nelex Gilt Inc Cap	98.7	103.9		—
Nelex Gilt Inc Acc	143.5	151.1		—
Nelex Managed Cap.	82.2	86.5		—
Nelex Managed Acc.	122.6	129.0		—
Nelex Deposit Cap.	76.7	80.7		—
Nelex Deposit Acc	109.6	115.4		—
Nelex Int.Fxd Int. Cap	61.6	64.8		—
Nelex Int.Fxd Int. Acc	87.1	91.7		—
NelIndexLk Secs Cap	41.7	43.9		—

Property Growth Assur Co Ltd—Contd

Prop. Pen. Fd	356.7		—
Prop. Pen. Cap Ut.	249.1		—
Bldg Soc Pen Ut	198.3		—
Bldg Soc Cap Ut	240.9		—
Gilt Pen. Fd	208.4	+0.5	—
Gilt Pen. Fd Cap	168.2	+0.2	—
Equity Pen. Fd	305.0	+1.5	—
Equity Pen. Fd Cap	119.1	+1.1	—
Intl Pen. Fd	143.2		—
Intl Pen. Fd. Cap	132.9		—

Providence Capitol Life Assc. Co Ltd
30 Uxbridge Rd, London W12 8PG 01-749 9111

Equity Acc	149.0	157.2	—
Fixed Interest Acc.	102.6	108.3	—
Intl Acc.	111.9	118.1	—
Managed Acc.	121.7	128.5	—
Property Acc.	145.9	154.0	—
Money Acc.	85.8	90.4	—
Special Market Acc	96.5	101.8	—
Japan Acc.	87.4	92.3	—
North America Acc	87.7	92.6	—
Pacific Acc	58.5	61.8	—
Technology Acc	89.3	94.3	—
Nat. Resources Acc	46.5	49.1	—
Japan Growth Acc	140.2	147.9	—
European Acc	69.1	72.9	—
Broker Fund			
Tyndall Mngd Fd Acc	48.1	50.7	—
Individual Pension Funds			
Equity Acc.	132.2	140.4	—
Fixed Interest Acc.	108.7	114.7	—
Intl Acc.	135.5	144.0	—
Managed Acc.	125.3	133.4	—
Property Acc.	112.5	118.7	—
Money Acc.	86.7	91.5	—
Special Market Acc.	127.0	134.0	—
Japan Acc	125.0	130.7	—
North American Acc.	110.5	116.6	—
Pacific Acc.	100.4	106.0	—
Technology Acc	111.3	117.5	—
Natural Resources Acc	74.7	78.8	—
Japan Growth Acc	146.0	154.1	—
European Acc	75.7	79.9	—
Broker Fund			
Tyndall Mngd Pen Acc	48.1	50.7	—
Group Pension Funds			
Equity Acc.	487.6	502.7	—
Fixed Interest Acc.	321.5	331.5	—

Provident Life Assoc Ltd
Provident Way, Basingstoke RG21 2FZ 0256 470707

Unit Fund	680.8	714.8	+4.5	—
Equity Fund	146.9	154.2	+1.4	—
International Fd	112.4	118.0	-0.6	—
Fixed Interest Fd	122.1	128.2	+0.7	—
Property Fund	135.4	142.2		—
Index-Linked Fund	108.6	114.0	+0.5	—
Deposit Fund	111.2	116.8		—
Pen. Mixed (Ord) Fd.	144.3	151.5	+1.3	—

Provident Mutual Life Assc. Assn.
William Rd, Hitchin, Herts SG4 0LP 0438 739000

Managed Ord	190.8	200.8	+0.7	—
Managed Int	170.9	179.9	+0.6	—
Equity Ord	245.0	257.9	+1.1	—
Equity Int	219.5	231.1	+1.0	—
Index Linked Gilt Ord.	104.7	110.2	+0.6	—
Index Linked Gilt Int	97.9	103.1	+0.6	—
Overseas Equity Ord.	206.7	217.6	+0.9	—
Overseas Equity Int	185.2	194.9	+0.7	—
Property Ord	124.9	131.5		—
Property Int	111.9	117.8		—
Fixed Interest Ord.	135.3	142.4	+0.5	—
Fixed Interest Int.	121.2	127.6	+0.5	—
Deposit Ord.	116.9	123.1		—
Deposit Int.	104.7	110.2		—
Pension Funds				
Managed Ord.	212.7	223.9	+1.0	—
Managed Int.	190.5	200.5	+0.8	—
Equity Ord	280.9	295.7	+1.4	—
Equity Int.	251.6	264.8	+1.3	—
Pen Ind Lkd Gilt Ord	108.6	114.3	+0.7	—
Pen Ind Lkd Gilt Int	101.6	106.9	+0.7	—
Overseas Equity Ord	227.5	239.5	+1.0	—
Overseas Equity Int.	203.8	214.5	+0.9	—
Property Ord	135.3	142.4		—
Property Int.	121.2	127.6		—
Fixed Interest Ord.	140.4	147.8	+0.4	—
Fixed Interest Int.	125.8	132.4	+0.4	—
Deposit Ord.	133.8	140.8		—
Deposit Int.	119.9	126.2	+0.1	—

Provincial Life Assurance Co Ltd
222 Bishopsgate, London EC2 01-247 6533

Managed Fd	381.6	402.1	-0.4	—
Cash Fd	189.2	199.4		—
Property Fund	192.1	202.5		—
Equity Fund	419.5	442.1	-0.8	—
Fxd. Int. Fund	219.4	231.2	+0.5	—
International	209.1	220.3	-1.6	—

INSURANCES

هكذا اصه الأصل

هكذا اصل الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

Scottish Mutual Assurance Society
109 St Vincent St, Glasgow 041-248 6321

Fixed Ltd Jan 14	660.9	681.2		
Pen Mngd Sept 30	421.1	434.1		

Scottish Mutual Investments
109 St Vincent St, Glasgow 041-248 6321

Safety Fund	107.8	113.5		—
Growth Fund	109.3	115.1	+0.3	—
Opportunity Fund	114.0	120.1	+0.8	—
Cash Fund	99.8	105.1	+0.3	—
European Fund	148.4	156.3	+0.9	—
Gilts & Fxd Int Fund	103.8	109.3	+0.2	—
Index Linked Fund	95.1	100.2	+0.5	—
International Fund	118.7	125.0		—
North American Fund	100.8	106.2	-0.5	—
Pacific Fund	121.3	127.7	+0.5	—
Property Fund	99.6	104.9		—
UK Equity Fund	111.6	117.5	+0.9	—
UK Smaller Cos. Fund	114.7	120.8	+0.4	—
Pens Safety Fnd	102.5	107.6		—
Pens Growth Fnd	105.2	110.8	+0.3	—
Pens Opportunity Fnd	107.6	113.3	+0.5	—
Pens Halifax Fnd	98.6	103.8	+0.1	—
Pens Cash Fund	98.2	103.4	+0.2	—
Pens European Fnd	126.9	133.6	+0.8	—
Pens Gilts/Fxd Int Fnd	98.1	103.3	+0.2	—
Pens Index-linked Fnd	95.4	100.5	+0.5	—
Pens International Fnd	116.1	122.3	+0.1	—
Pens Nth American Fnd	115.5	121.6	-0.4	—
Pens Pacific Fnd	113.8	119.8	+0.5	—
Pens Property Fnd	97.7	102.9	+0.1	—
Pens UK Equity Fnd	105.4	111.0	+0.9	—
Pens UK Smlr Co's Fnd	105.2	110.8	+0.3	—

Scottish Provident Institution
6 St Andrews Sq, Edinburgh 031-556 9181

Mixed	129.6	136.5	+0.6	—
Equity	143.7	151.4	+1.0	—
International	141.4	149.0	+0.6	—
Property	115.7	121.9		—
Fixed Interest	109.2	115.1	+0.3	—
Index-Linked	98.1	103.4	+0.6	—
Cash	109.1	115.0		—
Pens. Mixed Int.	126.4	133.2	+0.6	—
Do. Ord	135.9	143.2	+0.6	—
Pens. Equity Int.	144.1	151.8	+1.0	—
Do. Ord	154.8	163.0	+1.1	—
Pens. Intnl. Int.	139.2	146.6	+0.6	—
Do. Ord	139.6	157.6	+0.7	—

Sun Life Unit Assurance—Contd.
Sun Life Pensions Management Ltd
(funds for individual pension contracts)

Pen. Managed Acc	375.7	395.5	+0.4	
Pen. Property Acc	169.5	178.5		
Pen. Equity Acc	480.5	505.7	+0.5	
Pen. F. Interest Acc	188.2	198.2	+0.9	
Pen. Ind Lnkd Acc	106.4	112.0	+0.2	
Pen. Cash Acc	182.0	191.6	+0.1	
Pen. Amer. Equity Acc	167.5	176.4	+1.8	
Pen. U.S. Bonds Acc	124.8	131.4	-1.7	
Pen. Japan Acc	153.7	161.8	-1.7	
Pen. Pacific Acc	133.8	140.9	-0.5	-
Pen. Far Eastern Acc	437.9	461.0	-4.3	-
Pen. Internat. Acc	380.0	400.1	+0.5	-
Pen. U.S. Dollar Acc	103.8	109.3		-
Pen. Yen Acc	130.7	137.6		—
Pen. Euro. Curr. Acc	112.3	118.3		-
Pen. Euro. Acc	97.5	102.7	+2.9	-

Swiss Life Pensions Ltd
99-101 London Rd, Sevenoaks 0732 450161

Equity	£207.66	214.08	-
Fixed Int	£142.00	142.80	-
Index Linked	£108.51	109.05	-
Property	£172.17	177.49	-
Cash	£129.66	129.66	-
Mixed	£192.48	198.43	-
International	£167.84	173.03	-

Next sub day Feb 26

TSB Life Ltd
PO Box 3, Keens Hse, Andover SP10 1PG 0264 62188

Managed Fund	132.3	139.4		-
Property Fund	117.0	123.3		-
Fixed Int Fund	119.6	126.0	+0.4	-
Money Fund	113.0	119.0		-
Equity Fund	164.0	172.7	-0.3	-
TSB Pensions Ltd.				
Managed Pension	303.0	319.1	+1.2	-
Deposit Pension	106.6	112.3		-

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Managed	347.3	365.6	+1.1	-
Property	253.1	266.5		-
Fixed Int.	164.1	172.8	+0.1	-

BNP Inv Mgmnt (Jersey) Ltd
PO Box 158, St Helier, Jersey

Julius Baer Bank & Trust Co Ltd

Bamford Brandt Guernsey Mngt. Ltd
PO Box 71, St Peter Port, Guernsey

The Bangkok Fund
Bangkok First Inv & Trust Ltd
300 Silom Road, Bangkok, Thailand

Bank of America International SA
35 Boulevard Royal, Luxembourg

Barclays Unicorn International
1 Charing Cross, St Helier, Jersey

OFFSHORE AND OVERSEAS

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Zero Bond Fund Limited
PO Box 208 St Peter Port Guernsey 0481 26268

Money Market Trust Funds

The Charities Deposit Fund
77 London Wall London EC2N 1DB 01-588 1815

The Money Market Trust
63 Qn Victoria St EC4N 4ST 01-236 0952

Oppenheimer Money Management Ltd
66 Cannon St EC4N 6AE 01-236 1425

Money Market Bank Accounts

Adam & Co. plc
22 Charlotte Sq Edinburgh EH2 4DF 031-225 8484

Aitken Hume
30 City Road EC1Y 2AY 01-638 6070

Allied Arab Bank Ltd
97-101 Cannon St London EC4N 5AD 01-283 9111

Bank of Scotland
38 Threadneedle St. EC2P 2EH 01-628 8060

NOTES

... c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. * Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◆ Yield column shows annualised rates of NAV increase. xd ex dividend.

TRADITIONAL OPTIONS
3-month call rates

Industrials	p		
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Metal Closures	14
BOC Grp	27	Midland Bk	35
BSR	8	NEI	10
BTR	33	Nat West Bk	55
Babcock	13	P & O Dfd	35
Barclays	33	Plessey	14
Beecham	30	Polly Peck	21
Blue Circle	50	Racal Elect	15
Boots	24	RHM	12
Bowaters	30	Rank Org Ord	35
Brit Aerospace	32	Reed Intnl	60
Brit Telecom	17	Sears	11
Brown (J)	3½	TI	35
Burton Ord	45	Tesco	24
Cadburys	13	Thorn EMI	34
Charter Cons	18	Trust Houses	12
Comm Union	23	Turner Newall	9½
Courtaulds	13	Unilever	90
Distillers	36	Vickers	35
FNFC	12	**Property**	
Gen Accident	55	Brit Land	14
Gen Electric	34	Land Secs	26
Glaxo	108	MEPC	26
Grand Met	30	Peachey	24
GUS 'A'	70	Samuel Prop.	15
Guardian	60	**Oils**	
GKN	20	Brit Oil & Min	3½
Hanson Tst	18	Brit Petroleum	45
Hawker Sidd	36	Burmah Oil	27
ICI	42	Charterhall	4
Imps	16	Premier	5
Jaguar	27	Shell	55
Ladbroke	27	Tricentrol	18
Legal & Gen	80	Ultramar	18
Lex Service	24	**Mines**	
Lloyds Bank	35	Cons Gold	40
Lucas Inds	38	Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Australian Wheat Board cuts crop estimate

By Patricia Newby in Melbourne

WITH THE harvest virtually complete, the Australian Wheat Board has cut its 1985-86 crop estimates by about 500,000 tonnes to 16.2m tonnes. Rain damaged and destroyed some wheat towards the end of the harvest.

About 14.9m tonnes was delivered to the Wheat Board, the rest remaining on farms for stock feed.

The Wheat Board has already sold more than 10m tonnes of wheat since December last year including sales of 2.5m tonnes to the Soviet Union, 2.3m tonnes to China and 2m tonnes to Egypt. Delivery will be over the next 6-10 months.

With the 4.7m tonnes carry-over from 1984-85, the Board still has around 9m tonnes to dispose of.

The Wheat Board is looking for a new general manager following the sudden resignation this week of Mr Donald Sandow.

No explanation was given for Mr Sandow's resignation after less than two years in the job except that it was by "mutual agreement" between Mr Sandow and the Board. No impropriety was indicated and it appears there is discord inside the Wheat Board at a time when it is facing severe difficulties marketing Australian wheat in depressed world markets and in face of stiff competition from US and EEC subsidised wheat.

● China's winter wheat output target has been set at a minimum of 85m tonnes, agriculture minister Mr He Kang said, reports Reuter from Peking.

The Economic Daily newspaper quoted him as saying planting in most of the area north of the Yellow River had gone well, but heavy autumn rain in south China had delayed planting in a large area.

He added that slack management of the crop had produced signs of drought stress in the north and that farmers in the south must concentrate on combatting crop infection and excessive moisture.

China, which badly needs foreign exchange, will export the same amount of maize this year as in 1985 despite serious crop damage last year, traders and Western diplomats in Peking said.

Latest customs figures show maize exports of 4.56m tonnes in the first nine months of 1985. Figures for 1984 and earlier do not list maize separately.

Foreign experts said exports in 1985-86 (ending September) are likely to be slightly below the 5.2m tonnes shipped in 1984-85. In 1983-84, exports totalled 400,000 tonnes.

Large stocks have enabled China to withstand a drop in maize production last year to 64m tonnes from 73.4m in 1984 without cutting exports, a Western diplomat said.

One Japanese trader put 1985 and 1986 exports at about 5m tonnes in each year. He said China will maintain its market share in Japan, to help offset a huge trade deficit, and in the Soviet Union, to help improve trade relations.

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse, 2,650-2,720.

BISMUTH: European free market, min. 99.99 per cent, $ per lb, tonne lots in warehouse, 3.15-3.40.

CADMIUM: European free market, min. 99.95 per cent, $ per lb, in warehouse, ingots, 0.73-0.77, sticks, 0.76-0.80.

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse, 9.80-10.20.

MERCURY: European free market, min. 99.99 per cent, $ per flask, in warehouse, 220-235.

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 2.85-2.95.

SELENIUM: European free market, min. 99.5 per cent, $ per lb, in warehouse, 6.50-6.85.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit WO, cif, 55-63.

VANADIUM: European free market, min. 98 per cent V O, other sources, $ per lb V O, cif, 2.43-2.48.

URANIUM: Nuexco exchange value, $ per lb U O, 17.00.

Doubts over tin rescue

BY ANDREW GOWERS

SERIOUS DOUBTS resurfaced yesterday over plans to rescue the tin market as the price of the metal dropped sharply on the free market, apparently in response to selling by banks.

In Europe, the spot price plunged to between £5,700 and £6,000 a tonne after trading on Tuesday between £6,300 and £7,000. Prices on the Kuala Lumpur Tin Market also showed the largest decline of any single day since it re-opened on February 3.

Bankers and traders said the main cause for the drop was selling of tin warrants by Banque Indoseuz of France, one of the 16 creditor banks of the International Tin Council which have been involved in negotiations to set up a new company to take over and sell off the Council's tin stocks. Some reports suggested that it may have sold as much as 1,500 tonnes this week, while there were also suggestions that the Bank of Tokyo may likewise have been selling.

Banque Indoseuz itself declined to comment directly on these reports, but said it was still a member of the group of banks working on a settlement.

The drop in prices comes as negotiations on the establishment of "Newco" — the company which is supposed to sell off the stocks — have reached their most critical phase. Another bargaining session was held in London yesterday, and there will be a further, possibly make-or-break, meeting tomorrow.

In particular, the fall threatens to upset the calculations on which Newco is based. Mr Ralph Kestenbaum of brokers Gerald Metals, one of the authors of the plan, said last week that prices could start at £7,500 a tonne if and when trading officially resumes on the London Metal Exchange.

More seriously, some observers were yesterday interpreting the tin sales—which appear to have been motivated by a desire to realise cash at the higher price levels which have prevailed over the past week — as a sign of a break in the united front which the creditor banks are supposed to be maintaining during negotiations with the ITC.

"Some people think it's the start of the breakup of Newco," said one delegate. "It was a precondition that nobody should break ranks by selling warrants. Certainly, Newco's chances have diminished over the past three days."

Delegates from the ITC's 22-member governments are still divided on key details of the rescue plan. In particular, they have yet to agree on a legal formula to give government and Newco immunity from prosecution and on a policy for disposing of the council's 85,000 tonnes of stocks.

The producers want to set up a mechanism whereby sales could be suspended temporarily if they were exerting excessive downward pressure on prices, but this idea is being firmly resisted by the consumers, who want to stick to a strict timetable for selling off the stocks over three years.

Meanwhile, the British Government disclosed yesterday that iit had warned the London Metal Exchange, which is a principal victim of the tin crisis, last June of potential trouble in the tin market. Mr Alan Clark, the Trade Minister, told the Commons Trade and Industry committee that officials ha dtold the LME that the Exchange could not expect a unilateral ball-out from the Government in such an event and advised it to issue a warning to its member companies not to lend to the ITC. The LME had, however, refused, saying that such a warning would not be heeded.

Tax probe hits Belgian diamond sales

BY PAUL CHEESERIGHT IN BRUSSELS

TAX FRAUD investigations into the affairs of an Antwerp stockbroker are likely to have cut Belgian export revenue from diamonds by about 25 per cent this month.

This estimate was given yesterday by Mr Marc van den Abeleen, general manager of the Diamond High Council, the diamond industry federation based in Antwerp.

Customers visiting Antwerp do not want a confrontation with the police, Mr van den Abeleen said. Hence, their number had dropped. If customers do not come, he warned, some companies will have to close.

But widespread speculation that there would be a mass exodus of diamond merchants from Antwerp, the world's major trading centre, has not evidently proved to be well-founded. According to Mr van den Abeleen, nobody has left so far.

He was optimistic, moreover, that customers would return to the market for their own economic reasons related to the structure and prices of the Antwerp market. Certainly the Diamond High Council did not see any reason for special measures to restore confidence.

Confidence on the market dipped last month when it was disclosed that the Belgian tax authorities were investigating the books of Kirschen Roger, a stockbroker with offices in the heart of the diamond quarter and a substantial number of Antwerp diamond community members on its books.

The tax authorities were investigating the possibility that Kirschen Roger had been trading gold without charging the statutory 1 per cent value added tax and had been paying out dividends on stocks without deducting 25 per cent withholding tax.

The investigation continues and it is not clear when it will be finished. Mr van den Abeleen noted, however, that most tax investigations, whether in Belgium or elsewhere, end in a compromise settlement between the authorities and the person investigated.

The annual report of the Diamond High Council, published yesterday shows that turnover on the Belgian diamond market increased last year, as it has done every year since 1981, to reach BFr 311.5bn, (£6.5bn), a rise of 3.8 per cent. But while merchanting has increased in value, the scale of the Belgian polishing industry has decreased.

In 1985 prices improved in the second half, especially in November and December, but the relative buoyancy of the market was then checked last month by the Kirschen Roger investigation.

Platinum at 20-month high

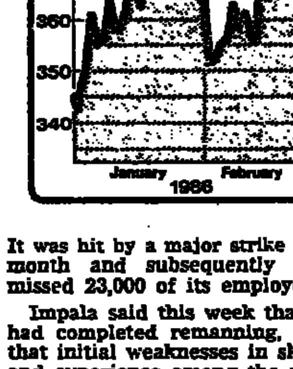
BY OUR COMMODITIES EDITOR

PLATINUM PRICES jumped yesterday to their highest level since June 1984 in response to continuing concern about the political situation in South Africa, the main producer of the metal, and about possibly substantial production losses at Impala Platinum.

The price in London rose by $12.90 an ounce to close at $388.50.

Traders said the market was dominated by speculative interest, which has been fuelled by the weakness of the US dollar and the return of political trouble in South Africa to the headlines.

But the overriding factor appears to be worries about production at Impala, the world's and South Africa's second largest producer. The company is an associate of South Africa's Gencor group and one of the three companies which dominate the industry.



It was hit by a major strike last month and subsequently dismissed 23,000 of its employees.

Impala said this week that it had completed remanning, but that initial weaknesses in skills and experience among the new workforce meant that production would not be fully back to normal until mid-March at the earliest.

According to one independent estimate, the company stands to lose up to 300,000 ounces of output in 1986, or nearly one-third of normal production, though Impala itself has dismissed this figure as too high.

South Africa controls an estimated 84 per cent of world platinum production, so its troubles have generally had a stronger impact on the platinum price than on gold.

Gold closed in London yesterday at $342.25 an ounce $5.75 up on the day. It has been buoyed, too, by the weak dollar and by the drop in oil prices, which is seen by some traders as a bullish factor given that it could precipitate a worsening of the financial difficulties of some debt-laden developing countries.

Coffee export quotas suspended

BY RICHARD MOONEY

THE LONG-AWAITED free-for-all in the international coffee market finally arrived yesterday when the International Coffee Organisation (ICO) officially announced the suspension of quota restrictions on exports.

The count-down to suspension began on December 12 when concern about the effects of last year's 4-month Brazilian drought first pushed the ICO 15-day moving average price above 150.08 cents a lb. Under the terms of the International Coffee Agreement quotas must be suspended if the average remains above this level for 45 consecutive trading days—unless the ICO's ruling council decides otherwise. On Tuesday theaverage stood at 185.57 cents a lb.

Announcing the move yesterday Mr Alexandre Beltrao, the ICO executive director, said: "Unless the council decides otherwise, quotas will be reintroduced if the 15-day moving average of the composite indicator price is at or below 184.55 cents a lb."

Although suspension of export quotas has been considered inevitable for some time uncertainty about its impact on bullish market sentiment. But yesterday's announcement had no discernible price influence, with the May position gaining another £51.50 to £2,545 a tonne, taking this week's advance to £227.50 a tonne. The May price remains some £930 below its early January peak, however.

The 1985 drought will result in Brazil's 1986 exports falling about 15 per cent short of the planned 17m bags (60 kilos each), Mr Paulo Graciano, the newly-appointed president of the Brazilian Coffee Institute (IBC), said yesterday, reports Reuter from Rio de Janeiro. This works out at 14.45m bags against the 19.1m exported last year.

Mr Graciano said the IBC will shortly be meeting roasters to negotiate a reduction in the 13m bags of exports already contracted for this year. But he said Brazil would honour export commitments for the current quarter. The new levels to be negotiated would take account of the effect of the drought on the coming harvest, internal consumption, stock requirements and also the possibility of damaging frosts in the winter months (May/August), he added.

UK milk policy attacked in European Court

BY ANDREW GOWERS AND RAYMOND HUGHES

THE UK's milk pricing policy was attacked in the European Court of Justice in Luxembourg yesterday as a breach of Common Market regulations.

The European Commission, backed by France, alleged that the UK's former dual pricing system for milk desined for manufacture into butter distorted competition in the Community, led to discrimination between milk producers and was an abstacle to the normal functioning of the EEC market system.

The UK contested the allegation and argued that, in any event, the practices complained of—involving different prices for milk manufactured into packet butter and bulk or intervention butter—had been ended within months of the Commission starting the case two years ago.

Whilst accepting this, the Commission expressed serious doubts as to whether the UK had since re-established the system in a different form.

The case is being closely watched by the Milk Marketing Board, the farmer co-operative which has a monopoly over milk supplies in England and Wales, and by Britain's independent dairy companies. Its outcome could also have a crucial impect on a parallel claim for £12m damages brought by the Irish Dairy Board against the MMB in the British courts.

Both the MMB and the dairy companies have indicated that they are keen to resume dual pricing at the earliest opportunity.

When the system operated, the price of milk for packet butter was generally lower than that for bulk butter. The dairy companies argue that this enabled them to maintain margins on retail-butter sales rather than being forced to sell the product into bulging intervention stores.

In any case, they argue, dairy co-operatives elsewhere in the Community operate similar systems in their internal accounts.

But the Commission maintains that the UK's system enabled it to maintain its domestic butter prices consistently lower than those of imported butter. In some cases, this may have forced exporters of butter to Britain to sell at a loss.

The European Court will receive an opinion on the case from one of its Advocates General before passing judgment later this year. The Commission has also asked it for a similar ruling in respect of skimmed milk powder.

LONDON MARKETS

THE COCOA market, which had managed a modest rally at the start of this week following the recent sustained decline, resumed its downward trend yesterday as the reappearance of West African producer selling pushed nearby positions on the London futures market to fresh 18-month lows. The May delivery quotation ended the day 23 lower at £1,622.50 a tonne. Lack of confidence in the prospect of the current Geneva talks resulting in an effective International Cocoa Agreement continue to weigh on the market, especially as failure could mean the dismantling of the existing 100,000 tonnes buffer stock. This has made the market particularly susceptible to selling pressure such as that triggered by the West African sales. Sterling's strength against the dollar was a further depressing influence on the market. The pound's strength was also largely responsible for a general decline in base metals

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	763-4	—10.0	770.5/770.5
3 months	790-1	—10.75	800/789

Official closing (am): Cash 770.5 (769-.5), three months 797.5-8 (797-.5), settlement 770.5 (769.5). Final Kerb close: 797.8. Turnover: 17,900 tonnes.

COPPER—HIGHER GRADE — —

COPPER

Higher grade	Unoffic'l close	+ or —	High/low
Cash	968-9	—16.0	978.5/978
3 months	995-.5	—17.0	1008/995

Official closing (am): Cash 978.5-9 (985.5-6), three months 1,006-.5 (1,013-.5), settlement 979 (986). Final Kerb close: 998-.5.

Cathodes			
Cash	955-6	—19.5	956/956
3 months	984-6	—18.0	986/986

Official closing (am): Cash 965-7 (975-8), three months 995-7 (1,005-7), settlement 967 (978). Turnover: 25,950 tonnes. US Producer prices: 67.00-71.00 cents a pound.

LEAD

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	264-5	—2.0	254.5/254
3 months	264.5-5	—2.0	2656/264

Official closing (am): Cash 254-.25 (256.5-.75), three months 264-.5 (266-.5), settlement 254.25 (256.75). Final Kerb close: 264.5-5. Turnover: 7,825 tonnes. US Spot: 17.75-20.00 cents a pound.

NICKEL

	Unofficial close(p.m.) £ per month	+ or —	High/low
Cash	2740-5	—42.5	—
3 months	2805-7	—41.5	2835/2800

Official closing (am): Cash 2,770-5 (2,775-80), three months 2,835-40 (2,845-7), settlement 2,775 (2,780). Final Kerb close: 2,820-30. Turnover: 960 tonnes.

ZINC

High grade	Unofficial close(p.m.) £ per month	+ or —	High/low
Cash	410-11	—8.0	415/411
3 months	419-30	—8.75	424/425

Official closing (am): Cash 415-6 (418-9), three months 425-6 (429-30), settlement 416 (419). Final Kerb close: 418-9. Turnover: 10,900 tonnes. US Prime Western: 30.50-35.75 cents per

GOLD

Gold rose $5¾ to $342-342½ on the London bullion market yesterday. It opened at the day's low of $338½-339, and was fixed at $343.70 in the morning and $341.40 in the afternoon. The metal touched a high of $344½-345¼, following the lead of platinum. The rise in prices was fueled by unrest in South Africa

GOLD BULLION (fine ounce)	Feb. 19	
Close	$342-342½	(£234 234½)
Opening	$338½-339	(£234¼ 234¾)
M'n'g fix	$343.70	(£237.526)
Aft'n'n fix	$341.40	(£235.888)

GOLD AND PLATINUM COINS		
Kr'g'r'nd.	$343½-344	(£234¼ 235¼)
½ Krug.	$182-182½	(£124½-124¾)
¼ Krug.	$93-93½	(£63½-64)
1/10 Krug.	$38-38¾	(£26-26½)
Mapleleaf	$351-351½	(£240-240¼)
Angel	$344-345	(£235¼ 235¾)
1/10 Angel	$34½-39½	(£23½-27)
New Sov.	$82-82½	(£56-56½)
½ New Sov	$49-49½	(£33½-33¾)
Old Sov.	$87½ 89	(£59¾-60¾)
$20 Eagle	$450-490	(£307½ 335)
NoblePlat	$399¼-403¾	(£276¼-279½)

SILVER

Silver was fixed 3.85p an ounce higher for spot delivery on the London bullion market yesterday at 413.95p. US cent equivalents of the fixing levels were: spot 598.55c, up 11.45c; three-month 609.55c, up 11.40c; six-month 621.20c, up 11.65c; and 12-month 644.40c, up 11.35c. The metal opened at 406-409p (588-590c) and closed at 408-410p (597-599c).

SILVER per troy	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	413.95p	+3.85	409p	—4
3 months	425.85p	+3.45	421p	—4.25
6 months	437.85p	+3.25	—	—
12 months	461.05p	+2.20	—	—

LME — Turnover: 42 (64) lots of 10,000 oz.

Cash high/low 411p; three months high 424p, low 423p, final kerb 417.5-8p.

MEAT

Beef was little changed in quiet conditions but pigmeat prices eased on light trade selling, reports Eastern Capital-CCST.

Month	PIGMEAT Y'day close	+ or —	BEEF Y'day close	+ or —
	p. per kilo (deadweight)			
Mar.	109.50	—	—	—
April	103.30	—0.20	180.00	—1.00
May	102.30	—0.70	183.50	—
June	108.00	+0.10	186.00	—
July	101.80	—0.20	186.50	—
Aug.	100.60	+0.10	183.00	—

Pigmeat sales: 5 (30) lots of 50 carcases, 3,250 kg.

Beef sales: 9 (26) lots of 20 sides.

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 96.17p per kg lw (—0.11). GB—Sheep 187.67p per kg est dcw (+7.59). GB—Pigs 75.71p per kg lw (+1.58). GB—AAPP 95.49p per kg dw.

INDICES

FINANCIAL TIMES

Feb. 19	Feb. 18	M'th ago	Year ago
—*	+*	—*	296.93

(Base: July 1 1952=100)

REUTERS

Feb. 18	Feb. 17	M'th ago	Year ago
1833.4	1836.3	1858.4	2022.2

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Feb. 18	Feb. 14	Month ago	Year ago
Spot	126.59	126.59	—	120.78
Fut.	130.41	128.94	—	123.45

(Base: December 31 1931=100)

* Not available due to suspension of tin LME

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

	Feb. 19 1986	+ or —	Month ago
METALS			
Aluminium			—
Free Market	$1200/220	+16	$1150/170
Copper			
Cash h Grade	£968.5	—16	£1000
3 mths	£995.25	—17	£1029.5
Gold Troy oz	$342.25	+5.75	$350.5
Lead Cash	£254.5	—2	£255.5
3 mths	£264.75	—2	£267.5
Nickel			
Free Mkt	181/201c	+1	175/196c
Palladium oz	$104.40	+2.80	$105.00
Platinum oz	$388.40	+12.90	$371.25
Quicksilver†	$220/230		$225/245
Silver troy oz	413.95p	+3.85	436.70p
3 months	425.85p	+3.45	450.70p
Tin cash	‡		‡
3 months	‡		‡
Tungsten	$66.32	+0.7	$63.71
Wolfram 22.0lb	$56/63		$53/61
Zinc	£410.5	—8	£448
3 months	£419.5	—8.25	£463
producers	$650/670		$680/760
OILS			
Coconut (Phil)	$320w	—2.5	$360
Palm Malayan	$307.5x	—2.5	$325
SEEDS			
Copra Phil	$205		$250
Soyabean (U.S.)	$220.7y		$225
GRAINS			
Barley Fut. May	£116.40	—0.3	£116.25
Maize	£145.50y		£141.00
Wheat Fut. May	£118.50	—0.6	£117.20
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. May	£1622.5	—23	£1743.5
Coffee Ft. May	£2545	+51.5	£2457.5
Cotton A Index	54.95c	—0.3	52.85c
Gas Oil Apr.	$150.5	+0.25	$172.75
Rubber (kilo)	63.25p	—1	59.5p
Sugar (raw)	$143w	—2	$118
Wooltops 64s	425p kilo		400p kilo

COCOA

Following a steady opening £15 up, values plunged sharply in the late morning and eased further to close £40 off the highs. Producers and consumers both participated in the physical market and good volume of business was noted, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
March	1614-1616	—24.0	1637-1610
May	1622-1623	—23.0	1682-1615
July	1648 1649	—26.5	1681-1645
Sept.	1679-1682	—25.0	1719-1676
Dec.	1713-1717	—23.5	1755-1712
March	1740-1744	—23.0	1770-1740
May	1760-1762	—26.5	1790-1707

Sales: 4,969 (1,957) lots of 10 tonnes.

ICCO indicator prices (US cents per pound). Daily price for February 19: 102.62 (102.22); five-day average for February 20: 100.84 (100.24).

COFFEE

Levels advanced further with physical offtake keeping the market steady. Taking no notice of a continually weakening dollar, mixed buying kept levels around £88 higher with New York very steady all afternoon. London came under pressure on the close with light profit-taking, reports Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
March	2480-82	+55.0	2520-480
May	2540-50	+51.5	2565-517
July	2610-15	+52.5	2650-585
Sept.	2680-84	+59.5	2710-655
Nov.	2735 40	+50.0	2760-720
Jan	2770-80	+47.5	2810-785
Mar.	2800-30	+55.0	—

Sales: 7,243 (7,249) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for February 18: Comp. daily 1979: 194.42 (179.80); 15-day average 185.57 (185.92).

GRAINS

Old crop wheat found keen shipper/merchant switch interest on March/May, easing on March long liquidation. March/May switching on old crop barley contributed to a dull trade. New crops eased on country hedge selling, finding commission house buying the main support, reports T. G. Roddick.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Mar.	115.05	—0.70	112.90	—0.15
May	118.50	—0.60	116.40	—0.30
July	119.50	—0.50	—	—
Sept.	99.00	—	96.80	—0.50
Nov.	102.20	—0.05	100.35	—0.30
Jan	105.90	—0.25	103.90	—0.35

Business done—Wheat: March 115.05 only. May 118.85-8.50, July 119.85-9.50, Sept 99.00-8.75, Nov 102.20 only, Jan 106.00-5.95. Sales: 634 lots of 100 tonnes. Barley: March 112.90 only, May 116.50-6.35, Sept 96.85-6.80, Nov 100.35 only, Jan 103.85 only. Sales: 248 lots of 100 tonnes.

LONDON GRAINS—Wheat: US dark northern spring No 1 15 per cent April/June 120.25 sellers transhipment east coast. US No 2 soft red winter March 120 seller. EC French Feb 136.50 seller. English feed fob March 118.50 paid Boston, April 120-120.50, April/June 122-122.50, Sept 101-101.50, Oct/Dec 105.75-106, Jan-March 111-112 buyer/sellers. Maize: US No 3 yellow-French transhipment east coast March 145.50. Barley: English feed fob Feb 118, March 118, April 119.50 buyers Boston, May 121 English/Scottish, May 121 English sellers. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: E. Midlands 112.50, N.E. 113.70, Scotland 111.20. The UK monetary coefficient for the week beginning Monday, February 24, will be unchanged.

FREIGHT FUTURES

Dry cargo quotations were under pressure against a background of weaker advices from the physical market. Tanker rates eased in the first four positions against a dull physical background. Support emerged late in the session to lift values slightly, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
April	854/865	865/852	865/867
July	733/734	745/732	748/749
Oct.	855/857	860/855	863/864
Jan.	860/865	—	860/865
April	950/970	—	945/975
July	790/850	—	800/850
Oct.	925/940	—	925/940
Jan.	900/960	—	900/960
BFI	761	—	768

Turnover: 222 (174).

	Close	High/Low	Prev.
Tankers			
Mar.	735/760	727	722/73 5
April	738/754	730/728	733/740
May	738/740	733	730/745
June	740/770	742	720/760
Sept.	875/950	—	875/950
Dec.	900/967	—	900/1000
BTI	796	—	797.5

Turnover: 88 (94).

US MARKETS

GOLD AND SILVER initially followed platinum higher but selling developed when platinum was unable to breach the $400 resistance level, reports Heinold Commodities. Platinum firmed on concern over strife in South Africa and on improved industrial and speculative demand. Copper failed to react to a bullish housing starts figure of a 16 per cent increase and in the two nearby months trade selling was a factor. Coffee advanced the daily limit on concern over Brazilian exports due to the drought. Liquidation pressure in the expiring March contract and origin selling in deferred months caused cocoa to breech support levels. Sugar traded in a narrow range as rallies met with producer selling. Cotton attracted profit-taking after a bullish reaction to the USDA's cotton programme. Oil initially followed through on Tuesday's sharp declines but attracted short-covering in anticipation of a bullish trade stocks report. Soyabeans firmed early on strength in foreign currencies leading to ideas of good export activity but fell slightly as currencies weakened. Maize was a little lower, lacking fresh demand.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	54.30	—	—	53.58
March	54.50	54.75	53.75	53.60
April	54.85	—	—	54.06
May	55.25	55.40	54.55	54.25
July	55.95	55.75	55.15	54.90
Sept	56.65	—	—	55.55
Dec	57.60	—	—	58.45
Jan	57.90	—	—	56.75
March	58.50	—	—	57.35
May	59.10	—	—	57.95

SUGAR WORLD "11" 112,000lb, cents/lb

	Close	High	Low	Prev
March	5.68	5.79	5.67	5.67
May	5.89	6.03	5.85	5.82
July	6.11	6.27	6.11	6.18
Sept	6.24	6.40	6.37	6.29
Oct	6.43	6.52	6.40	6.47
Jan	6.62	—	—	6.55
March	7.00	7.07	6.95	7.04
May	7.20	—	—	7.24
July	7.40	—	—	7.33

COFFEE "C" 37,000 lb; cents/lb

	Close	High	Low	Prev
March	235.86	245.00	233.25	234.52
May	239.75	249.00	238.00	239.03
July	241.55	241.55	239.50	235.55
Sept	245.15	245.15	245.15	239.15
Dec	247.38	247.38	247.38	241.38
March	250.21	250.42	249.50	244.42
May	251.50	251.50	251.50	245.50
July	244.00	—	—	246.88

CRUDE OIL (LIGHT) 42,000 US gallons; $/barrels

	Close	High	Low	Prev
March	15.35	15.40	14.30	14.77
April	15.47	15.50	14.75	15.23
May	15.50	15.50	14.75	15.34
June	15.50	15.50	14.80	15.36
July	15.40	15.50	14.90	15.39
August	15.52	15.50	14.95	15.42
Sept	15.30	15.45	15.10	15.46
Oct	15.35	15.35	15.10	15.50
Nov	15.35	15.70	15.25	15.54
Dec	15.50	15.75	15.40	15.59

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.85	—	—	64.10
March	64.00	64.85	63.80	64.25
April	64.30	—	—	64.60
May	64.60	65.45	64.40	64.85
July	64.95	65.80	64.80	65.20
Sept	65.25	66.05	65.15	65.45
Dec	65.60	66.55	65.60	66.00
Jan	65.85	—	—	66.15
March	66.35	67.00	66.85	66.50
May	66.70	—	—	66.85

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	336.7	344.0	336.5	337.2
March	337.5	—	—	338.3
April	339.0	346.7	337.2	339.7
June	342.9	350.8	341.0	343.5
August	346.9	354.5	346.5	347.5
Oct	351.0	357.6	350.5	351.6
Dec	355.3	363.0	354.0	355.8
Feb	359.7	366.8	360.0	360.2
April	363.7	—	—	364.2
June	368.0	—	—	368.5
August	372.8	379.0	372.5	373.1
Oct	377.4	379.5	379.5	377.8
Dec	382.3	388.0	388.0	382.8

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	High	Low	Prev
March	51.50	51.60	49.60	49.88
April	48.00	48.00	45.95	47.00
May	45.60	45.60	44.00	45.14
June	43.60	43.60	42.40	43.45
July	43.60	43.60	42.35	43.50
August	44.00	44.00	43.20	43.80
Sept	44.80	44.80	44.65	44.70
Oct	45.20	46.50	45.20	45.35
Nov	46.00	46.60	46.00	46.15
Dec	47.25	47.50	47.20	47.20

COTTON 50,000 lb: cents/lb

	Close	High	Low	Prev
March	62.80	63.50	62.58	63.05
May	62.90	63.50	62.58	63.06
July	63.82	64.29	63.57	64.13
Oct	46.60	46.70	46.27	46.50
Dec	46.90	46.58	46.05	46.85
March	47.85	48.00	47.85	47.85
May	48.55	—	—	48.63
July	48.35	—	—	49.00

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
March	84.15	85.50	83.75	86.75
May	84.30	85.50	83.50	87.30
July	84.50	85.80	84.50	87.70
Sept	84.15	86.50	84.00	87.40
Nov	85.85	87.50	85.75	88.40
Jan	87.80	90.00	87.75	90.80
March	89.30	90.50	89.50	91.40
May	89.55	—	—	91.60
July	89.55	—	—	90.50

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	390.4	397.0	382.0	379.4
March	391.6	390.0	390.0	380.6
April	392.9	399.9	384.0	381.9
July	392.0	402.0	396.3	383.7
Oct	393.9	402.0	389.0	385.8
Jan	395.9	399.0	391.0	387.9
April	398.4	392.5	392.5	390.9

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Feb	590.0	—	—	588.5
March	591.5	602.5	587.5	590.8
April	595.3	—	—	601.7
May	599.2	610.0	595.0	597.5
July	607.2	518.0	603.5	605.3
Sept	616.4	628.0	610.6	613.4
Dec	627.4	638.5	624.0	625.4
Jan	631.7	—	—	629.7
March	640.0	640.0	635.0	638.9
May	648.5	650.0	650.0	646.4

COCOA 10 tonnes; $/tonnes

	Close	High	Low	Prev
March	2082	2090	2072	2101
May	2133	2144	2115	2148
July	2170	2180	2157	2187
Sept	2203	2212	2180	2219
Dec	2238	2244	2230	2242
March	2253	—	—	2264
May	2261	—	—	2270

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	56.60	57.15	55.80	55.62
April	58.77	59.27	57.40	57.77
June	59.12	59.82	58.10	58.42
August	57.80	58.37	56.87	56.87
Oct	56.50	57.30	55.85	55.80
Dec	58.15	59.00	57.55	57.75

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	44.50	45.00	44.40	45.12
April	38.67	38.97	38.25	38.30
June	42.87	43.27	42.57	42.60
July	43.75	43.95	43.20	43.22
August	42.35	42.40	41.92	41.92
Oct	39.30	39.55	38.95	38.95
Dec	40.50	40.90	40.25	40.45
Feb	40.70	40.95	40.70	40.70

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	239.2	241.2	238.6	240.2
May	237.6	240.0	237.4	239.0
July	235.0	237.6	234.6	236.0
Sept	213.6	215.4	213.4	214.2
Dec	207.2	209.4	207.0	207.4
March	215.6	217.0	215.6	215.6
May	218.6	220.2	218.6	218.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	58.70	59.90	56.20	56.00
March	56.95	57.30	55.35	55.45
May	58.27	58.65	56.82	56.82
July	59.25	59.55	57.90	57.97
August	58.40	58.80	57.20	57.17
Feb	60.80	60.80	59.50	59.60

SOYABEAN MEAL 100 tons; $/ton

	Close	High	Low	Prev
March	153.0	155.0	152.8	154.4
May	154.2	156.9	154.1	154.8
July	155.3	158.0	155.2	156.0
August	158.0	158.0	155.0	155.5
Sept	152.0	153.0	152.0	151.5
Oct	147.0	147.8	146.5	146.0
Dec	147.9	149.2	147.5	147.0
Jan	148.2	—	—	147.2
March	149.7	—	—	149.0

SOYABEANS 5,000 bu min; cents/60lb-bushel

	Close	High	Low	Prev
March	521.2	528.6	520.4	525.2
May	528.2	536.2	528.0	532.4
July	536.6	544.0	536.4	538.4
August	535.0	541.4	535.0	536.4
Sept	516.0	522.8	516.0	516.6
Nov	511.2	516.0	511.0	510.2
Jan	520.6	525.0	520.4	520.6
March	532.0	536.0	532.0	532.0
May	540.0	543.0	540.0	539.0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	High	Low	Prev
March	18.31	18.53	18.25	18.32
May	18.86	18.90	18.64	18.72
July	19.05	19.52	18.98	19.08
August	19.15	19.30	19.15	19.24
Sept	19.10	19.30	19.10	19.15
Oct	19.20	19.25	19.16	19.22
Dec	19.53	19.65	19.50	19.55
Jan	19.76	19.76	19.65	19.80
March	20.15	—	—	20.20

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	High	Low	Prev
March	326.0	337.4	325.4	336.0
May	275.6	285.6	275.4	284.2
July	256.2	258.6	256.0	259.2
Sept	259.4	260.0	259.4	262.2
Dec	271.4	274.4	271.4	274.2
March	276.0	—	—	277.4

SPOT PRICES — Chicago loose lard 15.50 (16.00) cents per pound. Handy and Harman silver bullion 596.0 (590.5) cents per troy ounce.

POTATOES

After a brief 80p rally, basis April, the market came under renewed selling pressure which knocked values back to test £87.00 support levels but values bounced back to unchanged levels. Afternoon trade was similarly erratic and nervous, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Apr	88.10	88.20	89.00-87.50
May	95.00	95.10	95.00-94.50
Nov	75.30	74.50	—
Feb	84.30	85.50	—
Apr	96.30	97.50	—

Sales: 805 (1,020) lots of 40 tonnes.

Earlies—July 85.10, unchanged; Aug 73.00, unchanged; Sept 65.00, unchanged.

SOYABEAN MEAL

A very weak dollar put pressure on prices throughout the day. After initially opening £1 lower, heavy commercial and speculative selling pushed prices a further £1 down where some light consumer buying was uncovered. The market closed on a weak note, reports Muirpace.

	Yesterday close	+ or —	Business Done
	£ per tonne		
Apr	131.0-131.4	—2.70	132.5-130.4
June	129.0-129.2	—1.80	—
August	128.0-127.5	—1.50	—
October	127.0-128.0	—1.50	128.0-127.0
Dec.	129.0-129.5	—1.20	128.0
Feb.	130.0-135.0	—1.60	—

Sales: 194 (151) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $143.00 (£98.00), down $2.00 (down £3.00) a tonne for February/March delivery. White sugar $175.00, unchanged.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Mar	149.8-151.0	149.4-150.2	151.4-150.0
May	156.4-156.8	156.8-156.6	157.2-154.2
Aug	162.0-166.0	162.2-163.2	164.0-165.0
Oct	166.8-166.8	167.0-167.4	167.2-166.4

Sales: 916 (1,809) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £202.00 (£206.00) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for February 18: Daily price 5.48 (5.45); 15-day average 5.44 (5.43).

OIL

There was limited trading in April Brent between $14.60 in $16.00. Nymex opened 37c down for March WTI and traded erratically during the morning to stand 5c up at noon EST. Gas oil firmed slightly due to a shortage of prompt materials. Gasoline and naphtha weakened on poor buying interest, good availability—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—March		
Arab Light	—	—
Arab Heavy	—	—
Dubai	14.50-14.90	—
Brent Blend	15.10-15.50	—0.30
W.T.I. (1pm est)	14.85-15.00	—0.05
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	165-173	—0.5
Gas Oil	181-185	+1
Heavy fuel oil	85-88	—
Naphtha	140-145	—4

GAS OIL FUTURES

Month	Yesterd'ys close	+ or —	Business Done
	$ US per tonne		
Mar	169.25	—0.25	173.50-68.00
Apr	150.50	+0.25	152.00-48.75
May	145.25	+0.25	145.00-42.50
June	140.75	—0.25	143.00-39.25
July	141.50	—	141.50-40.00
Aug	144.00	+1.00	144.00-42.50
Sep	144.00	—5.00	144.00

Turnover: 1,518 (2,410) lots of 100 tonnes.

CRUDE OIL FUTURES—Brent Blend Index ($ a barrel). Close, change, business done): Index 16.73, —0.32; March 15.50-17.20; April 14.95-15.05, —0.35, 14.95; May 14.25-15.20; June 14.00-15.50; July 14.00-16.00.

Turnover: 15 (34) lots of 1,000 barrels.

RUBBER

PHYSICALS—Closing prices (buyers) spot 63.25p (64.25p); March 62.25p (63.25p), April 62.75p (63.75p). The Kuala Lumpur fob price (Malaysia/Singapore cents) per kg: RSS No 1 was 204.0 (200.0) and for SMR 20 205.5 (203.5).

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak and volatile

The dollar was very volatile on the foreign exchanges yesterday, reacting to apparently conflicting views from Mr James Baker, US Treasury Secretary, and Mr Paul Volcker, chairman of the Federal Reserve Board. Overnight Mr Baker indicated he was not displeased with the dollar's fall, and said yesterday there was no disagreement between the Treasury and the Fed, and that both wished to see lower interest rates. On the other hand Mr Volcker spoke of his concern about the loss of confidence in the dollar.

The US currency touched Y177.20 on Mr Baker's comments, but closed at Y179.25 after hearing Mr Volcker's warning, comapred with Y181.05 on Tuesday. The dollar also fell to DM 2.3040 from DM 2.3430; FFr 7.05 from FFr 7.1950; and SFr 1.9055 from SFr 1.9380. The exchange rate index, according to the Bank of England fell to 118.0 from 120.2.

STERLING — Trading range against the dollar in 1985-86 is 1.4885 to 1.0525. January average 1.4246. Exchange rate index rose 0.5 to 74.5, compared with 82.1 six months ago.

Sterling tuoched a peak of $1.4655-1.4665 in London during the afternoon, but fell back to close at $1.4500-1.4510, for a rise of 2½ cents on the day. The pound showed mixed changes against other major currencies, but was fairly steady, in spite of the overnight fall in oil prices, and warnings of a further sharp weakening by the Kuwaiti Oil Minister, to a possible $5 a barrel. Sterling fell to DM 3.3425 from DM 3.3450; FFr 10.2250 from FFr 10.2750; and SFr 2.7650 from SFr 2.7675, but rose to Y260 from Y258.50.

D-MARK — Trading range against the dollar in 1985-86 is 3.4510 to 2.3040. January average 2.4392. Exchange rate index 133.4 against 128.9 six months ago.

The D-mark gained ground against the dollar in rather confused Frankfurt trading. The rise in US January housing starts was higher than expected, but had little impact, as attention focused on Mr Paul Volcker's testimony before Congress later in the day and on Thursday, and the revision of US fourth-quarter GNP growth today. It was expected that GNP will be revised down from the last estimate of 2.4 per cent growth, but dealers were uncertain whether the speech by the chairman of the Federal Reserve Board would support the dollar, or encourage its fall. The Bundesbank did not intervene when the dollar was fixed at the lowest level since May 25 1982, at DM 2.3105, compared with DM 2.3524 on Tuesday.

JAPANESE YEN — Trading range against the dollar in 1985-86 is 263.15 to 179.25. January average 199.95. Exchange rate index 194.6 against 156.9 six months ago.

The yen rose against the dollar in hectic Tokyo trading, but showed only a small gain from the New York close. Remarks by Mr James Baker, welcoming the dollar's fall, sparked the selling of the US currency in New York and the Far East. The dollar closed at Y178.80 in Tokyo, the lowest for over seven years, compared with Y179 in New York, and Y181.75 in Tokyo on Tuesday. Another cut in the Japanese discount rate is widely expected, but the timing is in doubt. Mr Noboru Takeshita, Japanese Finance Minister, said conditions are ripe for a lower discount rate, but Mr Satoshi Sumita, Governor of the Bank of Japan, told Parliament the central bank was not considering another cut at this time.

£ IN NEW YORK

Latest	Feb. 18	Prev. close
£ Spot	$1.4450-1.4475	$1.4480-1.4480
1 month	0.51-0.49pm	0.52-0.50pm
3 months	1.53-1.49pm	1.57-1.54pm
12 months	4.95-4.90pm	5.20-5.10pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

Feb 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4410-1.4685	1.4500-1.4510	0.52-0.49c pm	4.18	1.52-1.47pm	4.12
Canada	2.0150-2.0335	2.0275-2.0295	0.03-0.12c dis	−0.44	.08pm-.12dis	−.05
Nethlnd.	3.73½-3.78¾	3.73½-3.74½	2-1⅞c pm	6.22	6-5¾pm	6.28
Belgium	67.95-68.02	67.95-68.05	13-5c pm	1.59	41-38pm	2.32
Denmark	12.28½-12.37	12.28¾-12.29¾	5½-3¼ore pm	4.33	13½-11¾pm	4.07
Ireland	1.1016-1.1080	1.1044-1.1054	0.30-0.15p pm	2.44	0.90-0.45pm	2.44
W. Ger.	3.32½-3.35¼	3.33¾-3.34¾	2½-2pf pm	7.40	6½-6¼pm	7.55
Portugal	216½-219¼	217-219	265-550c dis	−22.43	800-1,540dis	−19.63

FINANCIAL FUTURES

US bonds strong

US Treasury bond futures finished below the day's peak on the London International Financial Futures Exchange yesterday, as profit taking developed after a sharp rise during the afternoon. Trading was fairly volatile, but underlying sentiment remained very strong. March bonds opened firm at 88-11, following remarks overnight by Mr James Baker, US Treasury Secretary, that the Reagan Administration would not be displeased with a further decline by the dollar. But there was strong selling at this level, taking the contract down to a low of 87-24 on the announcement that January US housing starts rose 15.7 per cent, only to show signs of recovery on the downward revision in the December figure to a rise of 9.1 per cent, from the previous estimate of 17.5 per cent.

The market was recovering as Mr Paul Volcker, chairman of the Federal Reserve Board began his speech to Congress, although his concern about the loss of confidence in the dollar and warning of an overshoot in the fall of the dollar came too late to affect trading on Liffe.

The March contract rose to a peak of 89-00 after Mr Baker said to the House Budget Committee that there was no controversy between the Treasury and the Federal Reserv, and that both would lik to see lower interest rates. Profit taking brought it back to close at 88-16, compared with 88-06 on Tuesday.

Long gilts for March delivery touched a peak of 113-09, but dealers commented that there is strong resistance above 113-00. The highest level was at the opening, when the contract was underpinned by the strength of sterling and Tuesday's very good UK public sector borrowing requirement announcement. In spite of some recovery on the back of US bonds, gilts closed at 112-28.

CURRENCY MOVEMENTS

Feb. 19	Bank of England Index	Morgan Guaranty Change %
Sterling	74.5	−17.1
U.S. dollar	118.0	+9.1
Canadian dollar	78.9	−12.1
Austrian schilling	124.8	+6.7
Belgian franc	94.1	−8.4
Danish Kroner	85.0	−1.8
Deutsche mark	135.4	+13.4
Swiss franc	157.1	+16.0

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.4505	1.4455	1.4356	1.4234	1.4018

IMM—STERLING $s per £

	Latest	High	Low	Prev
March	1.4520	1.4529	1.4370	1.4315

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu February 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	44.2904	−1.21	+1.15	±1.5425
Danish Krone	8.12857	7.98124	−1.81	+0.55	±1.6421
German D-mark	2.23840	2.16385	−3.33	−0.97	±1.1455
French Franc	6.86402	6.64496	−3.19	−0.83	±1.3654
Dutch Guilder	2.52208	2.44364	−3.11	−0.75	±1.5162
Irish Punt	0.724578	0.714945	−1.33	+1.03	±1.6673
Italian Lira	1520.60	1471.83	−3.21	−2.19	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Long-term Eurodollars: two years 8⅞-8¾ per cent; three years 8½-8¾ per cent; four years 8¾-9 per cent; five years 8⅞-9⅛ per cent nominal. Short-term rates are call for US dollars and Japanese yen; others two days' notice.

MONEY MARKETS

London rates continue to ease

Interest rates continued to fall on the London money market yesterday, as sterling gained about 3 cents against the dollar, and dealers remained cautiously encouraged by figures released this month on UK public borrowing, money supply, bank lending and currency reserves. Caution was the key word, however, with hopes of a cut in clearing bank base rates staying in the background, reflecting the general view that the authorities will be reluctant to endorse lower interest rates at present. Three-month interbank fell to 12⅜-12¼ per cent from 12½-12⅜ per cent.

The Bank of England initially forecast a money market shortage of £450m, but revised this to £500m at noon, and to £650m in the afternoon. Total help provided was £677m.

Before lunch the authorities bought £168m bills outright, by way of £1m bank bills in band 1 at 12⅜ per cent; £150m bank bills in band 2 at 12 5/16 per cent; and £17m bank bills in band 3 at 12¼ per cent.

Another £329m bills were purchased outright in the afternoon through £3m bank bills in band 1 at 12⅜ per cent; £306m bank bills in band 2 at 12 5/16 per cent; and £20m bank bills in band 3 at 12¼ per cent. Late assistance of £180m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £279m, with a rise in the note circulation absorbing £95m, and bank balances below target £115m. These outweighed Exchequer transactions adding £50m to liquidity.

In Zurich the major Swiss banks cut interest rates by ¼ point. Time deposits for periods from three to eight months now pay 3½ per cent, compared with 3¼ per cent, and deposits from nine to 12 months 3¼ per cent against 3½ per cent. The banks involved were Credit Suisse; Union Bank of Switzerland; Swiss Bank Corp; and Swiss Volksbank. Rates were last cut on December 2, also by ¼ per cent, and the latest move follows a downward trend in Eurofranc rates and yields on Government bonds.

In Frankfurt call money rose to 4.45 per cent from 4.35 per cent, hs nearly DM 3bn drained from the money market. The Bundesbank paid DM 6.6bn to banks yesterday, under a new securities repurchase agreement, but at the same time an expiring pact took DM 9.5bn out of the market.

UK clearing banks base lending rate 12½ per cent since January 9

NEW YORK RATES

(Lunchtime)

Prime rate	9½
Broker loan rate	8¾
Fed Funds	7⅝
Fed funds at intervention	—

Treasury Bills & Bonds

One month	7.09
Two month	7.13
Three month	7.25
Six month	7.46
One year	7.61
Two year	8.02
Three year	8.08
Four year	8.16
Five year	8.32
Seven year	8.50
10 year	8.63
30 year	8.87

FT LONDON INTERBANK FIXING

(11.00 a.m. Feb. 19)

Three months U.S. dollars		Six months U.S. dollars	
bid 7 7/8	offer 8	bid 7 7/8	offer 8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

MONEY RATES

Company Notices

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN

STAR MICRONICS CO., LTD.

NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date February 28 1986. Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from February 25, 1986.

Subject to approval of the dividend, a further notice will be published, after receipt of the dividend by the Depositary, stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment. Coupon No. 7 will be used for collection of this dividend.

CITIBANK, N.A., London Depositary

February 20, 1986

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Sterling Floating Rate Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 14th February, 1986 to 14th May, 1986 has been fixed at 12.9375 per cent per annum.

On 14th May, 1986 interest of sterling 157.73 per sterling 5,000 nominal amount of the Notes, and interest of sterling 788.66 per sterling 25,000 nominal amount of the Notes, will be due against Coupon No. 6.

SWISS BANK CORPORATION INTERNATIONAL LIMITED Reference Agent

Legal Notices

No. 00184 of 1986

In the High Court of Justice Chancery Division In the Matter of WESTBURY HOMES GROUP LIMITED and in the Matter of the Companies Act 1985.

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 10th day of February 1986 confirming the reduction of the Share Premium Account of the above-named Company by £2,875,966 was registered by the Registrar of Companies on the 17th day of February 1986.

DATED the 17th day of February 1986.

FRESHFIELDS of Grindall House, 25 Newgate Street, London EC1A 7LH. Solicitors for the said Company.

Personal

THE 1986 DIRECTORY OF PRIMARY EDUCATION

Lists 24,000 app. Primary Schools in UK. 1,244 pages £25.00 cwo. Post free.

THE 1986 EDUCATION AUTHORITIES DIRECTORY

Gives full details of local education authorities and their staff, all secondary schools, independent secondary level schools, further and higher education institutes, polytechnics, universities, special schools and much more. 1,220 pages. Case bound. £33.00 cwo.

Available thro' booksellers or from: SGP LTD. Dept FT, Darby House Bletchingley Road, Redhill Surrey, RH1 3DN Tel: 073 74 2223

Obituary

SYCAMORE—On February 17, 1986, suddenly at home, Thomas Andrew Harding, C.B.E., aged 78 years, of Westfield, near Hastings, Sussex. Beloved husband of Winifred, much loved father of Diana, Adrian and Linda, and grandfather. Funeral Service St. John's Church, Westfield, on Monday, February 24 at 2.15 p.m. followed by cremation. Family flowers only, please, but donations, if desired, for Guide Dogs for the Blind may be sent to A. C. Towner Ltd., Funeral Directors, 2-8, Norman Road, St. Leonards-on-Sea, East Sussex.

Contracts and Tenders

WANDSWORTH BOROUGH COUNCIL

MAJOR MAINTENANCE WORKS AND ASBESTOS REMOVALS AT WINSTANLEY ESTATE, BATTERSEA, LONDON SW11

Heating and ventilation contractors wishing to be considered for selection to tender for major maintenance works and asbestos removals at Winstanley Estate, London, SW11, should submit names to the Director of Administration, Room 111, The Town Hall, Wandsworth High Street, London SW18 2PU by 28th February 1986, quoting reference BA/9/3304.

(N.B.—Applicants should refer only to the above-mentioned scheme and should not include replies to any other advertisements currently placed by Wandsworth Borough Council).

The works will include:—

(a) The chemical cleaning and flushing of all mains supplying heating and domestic hot water to 562 dwellings from 4 central roof top boiler plants, removal and cleaning of existing heater battery in the warm air unit and maintenance to fans, valves, controls, etc.

(b) Removal of all asbestos-bearing material forming and contained within warm air cupboards, and replacing it with asbestos-free materials. Asbestos work to be undertaken by specialists licensed to operate to standards required by the Health and Safety Executive.

Applicants must submit details of labour, technical and supervisory staff available, together with names and addresses of two technical and two financial referees unless this information has already been provided for a similar contract within the last 12 months.

It is anticipated that specifications and drawings will be issued to selected contractors in April 1986 with a proposed start on site in July 1986.

The engineering design services for this scheme will be provided by the Borough Architect, The Town Hall, Wandsworth High Street, London SW18 2PU.

G. K. JONES Director of Administration.

Art Galleries

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. 113th ANNUAL WATERCOLOUR EXHIBITION. Until 21 Feb. Mon.-Fri. 9.30-5.30. Thurs. until 6.30.

COLNAGHI, 14, Old Bond St., W1. 01-491 7408. THE BRITISH FACE—a View of Portraiture, 1600-1850. Until 29 March. Mon.-Fri. 10-6; Sats. 10-1.

ZAMANA GALLERY, 1, Cromwell Gardens (opp. V. & A.), SW7. 01-584 6612. Presented by the Mathaf Gallery, LANDS WITHOUT SHADES—The Orient through Western Eyes. Until 15 March. Mon.-Sat. 10-5.30 (closed Fri.); Sun. 1-5.30.

Clubs

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St., W1. 01-734 0557.

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Commercial & Industrial Property	11.50	39.00
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Holiday & Travel	9.00	30.00
Contracts & Tenders	11.50	39.00
Book Publishers	—	net 22.00

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£8.00 per single column cm extra

All prices exclude VAT

For further details write to: Classified Advertisement Manager Financial Times 10, Cannon St, EC4P 4BY

LONDON SHARE SERVICE

BRITISH FUNDS

1985/86 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅔	96¼	Treas. 10pcCnv 1986	99⅔	....	10.04	12.61
98	92¾	Treas 3pc 1986	97¼	+⅛	3.06	12.57
100	97½	Exch. 10½pc 1986	99⅔	.....	10.56	10.65
101⅛	99¼	Treas 12pc 1986	99⅞	....	12.01	12.20
98¾	94¾	Treas 8¼pc 1984-86‡‡	98⅔	+⅛	8.61	12.05
105⅔	100½	Exch. 14pc 1986	101⅔	+⅛	13.83	12.01
95⅔	87¼	Exch. 2½pc 1986	95¼	−⅛	2.61	8.42
104⅔	100⅛	Exch. 13¼pc 1987	101⅔	+⅛	13.09	11.80
99⅔	96⅝	Treas 10½pcCv '87	98⅔	+⅛	10.38	11.70
94⅝	85½	Exch 2½pc 1987	94⅝xd	+¼	2.64	8.15
100⅔	96¼	Exch. 10½pc 1987	98¼	+¼	10.63	11.67
95¼	89	Funding 6½pc '85-87‡‡	95¼	+¼	6.80	10.60
99⅔	95½	Treas. 10pc 1987	98¼	+⅛	10.17	11.43
92¾	84⅝	Treas 3pc 1987	92¼	+¼	3.23	8.62
102⅔	99⅛	Treas. 12pc 1987	100¼	+¼	11.91	11.49
95⅛	90¼	Treas 7¾pc 1985-88‡‡	94⅔	+⅛	8.17	10.79
100⅛	95⅛	Exch 10½pc '88	98½	+¼	10.65	11.27
98⅝	93⅛	Treas 9¾pc Cv '88	97	+¼	10.05	11.23
88⅔	80	Transport 3pc '78-88	88⅔	+⅛	3.39	8.57
97⅛	91½	Treas. 9½pc '88	95⅔	+¼	9.90	11.27
102⅛	97½	Treas 11½pc 1989	100⅞xd	+⅛	11.40	11.16
97⅔	90⅛	Treas 9½pc Cnv. '89	95⅔	+⅛	9.94	11.19
84⅔	79	Treas 3pc 1989	84⅔	+⅛	3.55	8.66
99⅔	94	Treas 10½pc 1989	98¼	+⅛	10.67	11.08
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

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INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

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INDUSTRIALS—Continued

1985/86 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
106	69	♦Midland Marts	104	.....	4.0	2.1	5.5	12.4
93½	55½	Mitchell Cotts	78	+½	4.25	2.0	7.8	(7.9)
97	78	♦Mogals & Crane 10p	97	.....	22.7	2.7	4.0	13.3
253	182	Morgan Crucible	253	+1	10.5	1.6	4.8	17.6
33	16½	♦Morris (W) F.A. 20p	20	.....	g0.5	♦	3.6	♦
131	91	Moss (Robt.) 10p	103	−1	†3.0	2.7	4.2	11.1
82	60	Myson Grp 10p	81	.....	g2.5	3.4	4.4	15.4
330	214	♦MMW Computers	275	−20	†6.0	♦	3.2	♦
43	27	Nash Inds	37	+2	0.5	—	1.9	—
48	15	Neill & Spencer 10p	23	+1	♦—	—	—	6.9
44	14½	Newman Inds 10p	32	.....	20.3	—	1.3	(15.0)
65	26	Nolton	60	−2	0.95	[illegible]	2.3	8.6
104	91	♦Novalk Systems 5p	99	+3	b3.0	2.4	4.3	13.8
216	146	Norcros	203	.....	†8.6	2.0	6.1	11.0
67	45	Nu-Swift 5p	53	.....	†3.0	1.9	8.1	8.6
114	68	Oakwood Grp	96	.....	5.0	♦	7.4	♦
230	150	Office & Elect	213	.....	†7.5	2.6	5.0	10.9
108	70	Oldacre 20p	80xd	+4	†4.0	2.6	7.1	7.1
58	29	♦Optometrics $0.01	29	.....	ad02c	2.1	5.4	9.7
530	312½	OrFlame £1	530	.....	†23.4	1.8	4.4	12.6
18	5½	Overstone 12½c	19	.....	g0.29c	1.9	10.5	5.0
£271	£258	Ozalid 9pc Cnv 87-92	£256	.....	Q9%	—	13.5	—
185	95	♦PCT Grp 10p	100	.....	3.2	1.2	6.7	(24.4)
£15⅞	850	PLM 'B' Sk 25	£15⅛	+⅛	Q23.2%	♦	4.1	♦
193	114	PSM Intl	130	.....	†gd5.25	2.5	5.8	8.9
193	115	♦Paper Systems $0.01	173	.....	R3.84c	—	1.7	—
68	50	♦Pacific Sales 10p	68	.....	3.0	2.1	6.0	8.3
243	120	Park Place 10p	237	.....	6.25	1.9	3.8	19.9
296	165	Parker Knoll 'A'	270	−3	9.5	2.9	5.0	9.8
305	45	♦Parkfield Group 5p	305	+2	†2.4	2.4	1.1	51.0
80	37	♦Paxton Intl	44	+3	—	—	—	—
£98	£88	Do 11pc Cv Ln '94-02	£110xd	+2	Q11%	—	10.5	—
435	207½	Pearson	428	+3	18.5	3.0	2.8	15.2
29	12	Peck Holdings	16	−1	—	—	—	—

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

FINANCE, LAND—Cont.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Miscellaneous

1985/86 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
123	70	Greenwich Res	78	−7	—	—	—
215	115	Hampton Areas 10p	125	+5	3.75	0.9	4.0
260	135	♦Highwood Res	240	.....	—	—	—
£22½	£15⅛	Homestake Mining $1	£16¼	−⅛	Q20c	—	0.9
310	155	♦McFinley Red Lake	205	.....	—	—	—
335	195	♦Musto Explorations	260	.....	—	—	—
55	23	♦New Sabina Res C$1	44	.....	—	—	—
375	195	Northgate C$1	220	.....	—	—	—
685	507	RTZ	560	+5	†20.0	2.8	5.1
£145½	£114½	Do. 9½pcLn '95-2000	£122	+1½	Q9½%	14.0	(7.9)
980	800	♦Tara Expln $1	925	−25	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▯ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. *h Assumed dividend and yield after scrip issue. j Payment from capital sources.* k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	102	....	Fin. 13% 97/02	£110¼	−¼
Craig & Rose £1	950	....	Arnotts	200	+3
Finlay Pkg. 5p	45	....	CPI Hldgs	58	....
Holt (Jos) 25p	720	....	Carroll Inds	150	....
IoM Stm. £1	57	....	Dublin Gas	52	....
			Hall (R. & H.)	60	−2
IRISH			Heiton Hldgs.	23	−1
Fund 11¼% 1988	£98¼	....	Irish Ropes	55	....
Nat. 9¾% 84/89	£95⅝	....	Unidare	110	−10

"Recent Issues" and "Rights" Page 42
(International Edition Page 36)

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £875 per annum for each security.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates

*First Dealings	Option Declara-tions	Last Dealings	Account Day
Feb 10	Feb 20	Feb 21	Mar 3
Feb 24	Mar 6	Mar 7	Mar 17
Mar 10	Mar 26	Mar 27	Apr 7

* " New-time " dealings may take place from 9.30 am two business days earlier.

Gilts push forward again but early equity upsurge loses momentum

An exuberant opening scene set a pace too hot to last and the FT-SE 100 Share Index, after piercing 1500 for the first time, fell back in the later business. The early euphoria was a clear reflection of a more favourable interest rate outlook and of the increased scope for Budget taxation cuts following Tuesday's startling PSBR figures.

Commercial rates for credit continued to slip back from recent high levels, but the downturn was not fast enough for some professional investors. The three-month interbank rate stuck at around 12 3/16 per cent, only fractionally below current bank base rate levels, and sterling surged higher against the dollar.

The latter development stifled demand not only for international stocks but also for the many leading issues which have been bought heavily over the past week or so. Turnover thus contracted noticeably from Tuesday's record volume when the total value of shares traded soared to over £1.2bn.

The lull in institutional activity prompted some short-term operators to realise often substantial profits. Although the sales were gratefully received by dealers running short book positions, the reaction in values gathered speed. After news that the Japanese Central Bank was not considering another cut in the Discount rate, equities seemed certain to close lower on the day. Doubts began to creep in over its continuing ebullience and takeover fervour cooled in the absence of a major new offer.

A measure of stability was restored around mid-afternoon, and later in the session blue chip stocks edged away from the lowest levels. Illustrating the market's changing fortunes, the FT-SE Index hit a high point of 1501.1 at 9.41 am and a low of 1488.8 at 2.38 pm before closing a net 0.5 off at 1491.4. The FT Ordinary Share Index fluctuated similarly to end 0.8 up at 1235.1.

Government securities continued to prosper with sentiment supported both by the rising pound and hopes that the next move in domestic interest rates would be lower. Fresh inflows of foreign money were reported but UK institutional operators were the main buyers. Short-dated stocks claimed more attention than recently to close with gains rivalling the fresh rises of ½ among the longs. Reactionary tendencies were short-lived, although in the late after-hours' business prices were a touch below the session's best.

Natwest better

NatWest improved 6 more to 683p, but other clearing banks drifted down after a firm start on lack of follow-through support. Barclays and Midland both closed 5 easier at the common level of 467p, after 475p. Lloyds were also 5 off at 475p, after 488p. Among Hire Purchases, perennial takeover favourite First National Finance Corporation put on 3 at 167p and Provident Financial gained 5 at 343p. Cattles Holdings hardened a penny at 39p and Woodchester added 2 at 160p.

Guinness rose 5 to 300p, after 303p, amid suggestions that Distillers, also 5 dearer at 625p, could be prepared to reverse the bid situation and launch a bid for Guinness. The latter's offer for Distillers was referred to the Monopolies Commission last Friday.

The undertone in the Building sector remained distinctly firm and takeover favourites figured prominently. George Wimpey continued to attract considerable speculative attention and rose 7 for a two-day gain of 20 to 168p, while Rugby Portland Cement firmed 4 to 157p on rumours of a possible offer from English China Clays. Elsewhere, Tarmac revived strongly and closed 12 higher at 402p, while RMC gained 6 more to 526p. Outside the leaders, Feb International A put on 4 to 62p following details of the disposal of its builders' merchants division, but Ward Holdings slipped 4 to 282p awaiting today's preliminary results. Profit-taking in the wake of the interim figures left Raine Industries a penny cheaper at 28½p, after 30½, while scrappy selling clipped 10 from Access Satellite, at 110p. SGB found support at 262p, up 8, while Countryside spurted 18 to 320p following a broker's lunch.

ICI fluctuated narrowly and settled a shade easier at 859p; the interim results are due next Thursday. Among other Chemicals, BTP attracted buyers and firmed 6 to 126p and Coates Brothers A improved 5 to 116p.

Stores mixed

Leading Retailers, steady-to-firm at the outset, subsequently gave modest ground reflecting the lack of follow-through interest. Gussies A, up to 925p at one stage, dipped to 885p before settling 7 cheaper on balance at 890p. Storehouse eased a few pence at 327p, while Harris Queensway gave up 2 to 214p, after 212p. Burton, however, remained firm and rose 4 to 258p, after 264p, as did W. H. Smith A at 278p. Dunhill attracted renewed support and advanced 12 more to 405p, while Lee Cooper, a dull market since recent acquisition news, rallied 8 to 173p. Executex Clothes revived with a gain of 8 to 73p, which Pepe rose 13 to 108p and Gabicci 5 to 120p.

Racal, a possible beneficiary of the £5bn Saudi Arabian defence deal, rose 6 more to 204p, but other leading Electricals drifted lower as buyers withdrew. GEC, at 204p, lost 4 of the previous day's gain of 10. Among secondary Electricals, Sigmex reflected the board's profits warning and dropped to a new low of 83p before closing 11 down on balance at 86p. Highland, on the other hand, attracted revived speculative demand and closed 9 to the good at 104p. NEI continued to reflect recent comment and firmed 7 more at 102p. Investors came for SCUSA ahead of a seminar in the US next week and the close was 3 higher at 132p. Micro Focus found support at 205p, up 25p, while improvements of 8 and 10 respectively were seen in Systems Designers, 108p, and Oxford Instruments, 445p. HB Electronic appreciated 6 at 68p as did Dubilier at 188p.

Leading Engineers edged higher, GKN improving 4 more to 317p and Vickers 5 further to 363p, the latter awaiting next Monday's annual results. Secondary issues encountered selective support. Banro advanced 20 to 175p on bid hopes, while demand persisted for Ransomes Sims which put on 11 further to 164p. Matthew Hall advanced 8 to 150p and 600 Group were noteworthy for a rise of 6½ at 106½p. F. S. Ratcliffe Industries were again the subject of speculative activity and touched 110p before closing 15 higher at 100p; the company stated yesterday that it knew of no reason for the advance in the share price. Rises of around 6 were recorded in Delta, 207p, and Spirax-Sarco, 162p, while acquisition news assisted a rise of 5 to 252p in Baker Perkins. TI rose 9 to 417p.

Leading Foods made an irregular showing. Tesco encountered further aggressive *buying and gained 11 to 323p.* J. Sainsbury firmed 4 to 372p, but ASDA-MFI softened 2 more to 142p and Dee Corporation shed 5 to 255p. Profit-taking left Cadbury Schweppes 4 cheaper at 171p and Tate and Lyle 8 off at 590p, but recently-dull Northern Foods revived with a gain of 6 at 276p.

Publicity given to brokers' circulars stimulated further buying interest of Kennedy Brookes which advanced 14 to 262p.

Granada react

Most leading miscellaneous industrials ended the day with little alteration. Glaxo, however, helped by US demand, put on 28 to 933p, while Beecham rallied 4 to 365p. BET were supported at 403p, up 10, but Pilkington drifted back to close 7 cheaper at 396p. Elsewhere, Granada dropped 16 to 294p following comment on the bid from Rank Organisation; the latter eased 10 to 537p. High Point Services moved up 45 to 430p in belated response to acquisition news, while Press mention stimulated demand for Celestion which closed 4 to the good at 38p. Bowater, still sustained by Hanson Trust bid hopes, advanced afresh to 331p before closing 8 higher on balance at 323p. Still reflecting recent newspaper comment, Bridport Gundry advanced 7 further to 184p. Reuters encountered support at 398p, up 15, but adverse comment prompted a fall of 22 to 320p in Broken Hill Proprietary. Sharna Ware ran back smartly after the previous day's speculative flurry and closed 12 lower at 60p, while Christies International, bought recently on bid hopes, gave up 9 to 316p. NMW Computers closed 20 lower at 275p after the results and proposed rights issue, but Elders IXL gained 8 to 173p in response to the preliminary figures. Thomas Jourdan were noteworthy for a rise of 12 at 170p, while other bright spots included MCD, 8 dearer at 160p, and Appledore, 12 higher at 372p. In contrast, Harvey and Thompson gave up 8 to 155p despite the increased interim dividend and profits.

Miss World succumbed to renewed profit-taking and dropped 30 more for a two-day relapse of 60 at 160p. Sangers Photographic, however, continued firmly at 86p, up a further 4.

A lively two-way business developed in Jaguar which dipped to 457p before recovering to 471p — a net gain of 5. BL hardened a couple of pence more to 63p, after 67p. A. C. Cars were marked 40 higher to 125p following the agreed offer from Mr William West.

Current takeover favourite MEPC dipped to 333p initially, but the reappearance of buyers at the lower level prompted a swift rally and the close was 3 dearer on balance at 340p. Among other properties, Wates City of London shed 4 to 130p, after 128p, on the rights issue proposal that accompanied the annual results. Berkeley and Hay Hill attracted speculative buying on rumours that a sizeable stake had changed hands and put on 2½ to 10½p. London and Edinburgh continued to reflect Claygate development prospects and rose 20 more to 575p, while Mountleigh, still buoyed by the excellent interim results, gained the same amount to 635p.

P & O Deferred returned to favour with a gain of 14 to 480p. Ocean Transport, however, eased a couple of pence to 186p. British and Commonwealth hardened a few pence to 330p, while news that Swedish shipping concern Salenia has purchased Hambros Investment Trust's near 22 per cent in the company lifted John I. Jacobs 5 to 64p.

A number of firm features emerged among Textiles. Tootal responded to fresh speculative demand and rose 4½ to a 1985/86 peak of 88p, while interest also revived for Allied Textile, finally 10 higher at 460p. Don Bros. Buist, *scheduled to reveal interim figures tomorrow*, hardened 4 more to 154p. Occasional support was also noted for Burmatex, 8 to the good at 132p, and Leeds, 5 up at 143p.

Tobacos, widely suported on Tuesday, encountered profit-taking with Bats 10 cheaper at 358p, and Rothmans 3 off at 162p. Imps, a shade firmer at the outset, dipped to 305p before settling 6 easier on balance at 308p as Hanson Trust, 3 firmer at 150p, declared that its revised offer would not be increased. Rival suitors United Biscuits fell 6 more to 220p.

Mercantile House raced up to 335p at the outset amid rumours of an imminent bid from Quadrex before closing 24 higher on balance at 332p. Exco, meanwhile, recorded a sympathetic gain of 6 at 218p and MAI firmed 5 at 350p. Among other Financials, stockjobbing concern Smith Bros advanced 13 afresh making a two-day rise of 24 at 195p on talk that Rothschilds had sold its 24 per cent stake in the company to a potential suitor. Kwahu, on the other hand, cheapened 3 to 27p on further consideration of the half-year results.

Oils down again

Another bout of weakness in North Sea oil prices and the strength of sterling triggered renewed selling of oil shares. BP dipped to 531p before rallying to 538p—a net fall of 5—ahead of the annual results which are expected around midday. Currency considerations saw Shell ease a similar amount to 673p. Britoil fell away to a 1985-86 low of 168p prior to settling 3 down at 170p, while LASMO dropped to 140p before closing a few pence off at 143p. Enterprise were finally 4 cheaper at 128p, after a year's low of 127p. Secondary issues continued to drift on lack of interest, but Century Oil proved an exception and moved up 4 to 92p following sustained support from one quarter. Australian oils mirrored heavy falls in overnight domestic markets: Santos dropped 10 to a 1985-86 low of 210p and Bridge Oil fell 5 to 87p.

Recent speculative favourite Lonrho eased 4 to 252p following the annual report. Tozer Kemsley and Millbourn, on the other hand, responded to revived takeover chatter and touched 104p before closing a net 7 to the good at 103p.

Golds advance

Renewed strength in precious metal prices following the fall in the dollar prompted good performances by gold and related sectors of mining markets. Platinum continued its recent firm showing, jumping more than $20 an ounce, while bullion touched $345 at one point prior to closing a net $5.75 up at $342.25 an ounce.

Gold shares attracted good support from the outset. Overnight US buying was quickly followed by persistent interest from Johannesburg—where operators were encouraged by the further improvement in the Rand—and the Continent. Sterling quotations for Golds, however, were affected by the sharp rise in the pound against the dollar. Nevertheless, closing gains were sufficient to boost the Gold Mines index 8.7 to 326.3.

Platinums were highlighted by Rustenburg which moved up 8 more to 683p at the expense of Impala, 5 off at 645p, on further consideration of the recent Press recommendation to switch into the former. Financials enjoyed a day of brisk trading and wide-spread good gains. "Amgold" settled £2¼ up at £54¼. Gencor rose 20 to 885p and Anglo American Corporation rose 15 to 990p. Firmer metal prices also boosted UK-registered Financials where Consolidated Gold Fields added 7 at 470p and Rio Tinto-Zinc 5 at 560p.

Sterling's rise against the Australian dollar failed to deter buyers of "down-under" stocks and particularly Golds which gained ground across a broad front.

FINANCIAL TIMES STOCK INDICES

	Feb. 19	Feb. 18	Feb. 17	Feb. 14	Feb. 13	Feb. 12	year ago
Government Secs	84.00	83.63	83.00	82.55	82.07	82.20	79.82
Fixed Interest	88.93	88.56	88.06	87.75	87.68	87.55	83.79
Ordinary ♥	1235.1	1234.3	1220.7	1218.8	1212.5	1208.6	981.3
Gold Mines	326.3	317.6	320.4	317.1	330.9	330.5	97.2
Ord. Div. Yield	4.22	4.23	4.26	4.28	4.27	4.29	4.40
Earnings, Yld. % (full)	10.19	10.21	10.32	10.34	10.39	10.45	10.99
P/E Ratio (net) (*)	12.24	12.21	12.08	12.07	12.00	11.92	10.93
Total bargains (Est.	30,406	34,985	34,520	30,744	36,419	28,480	24,005
Equity turnover £m.	—	1217.58	904.49	849.82	721.76	682.74	372.80
Equity bargains	—	37,031	39,689	38,103	30,720	29,419	21,616
Shares traded (ml)	—	488.4	410.2	386.4	356.0	319.1	202.2

♥ 10 am 1241.5. 11 am 1238.6. Noon 1238.8. 1 pm 1234.0. 2 pm 1233.7. 3 pm 1233.0. 4 pm 1235.3. Day's High 1243.2. Day's Low 1231.7. Basis 100 Government Securities 15/10/26. Fixed interest 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest index 01-246 8026. *Nil=11.80.

HIGHS AND LOWS

—	1985/86 High	1985/86 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	84.57 (18/12/85)	78.02 (28/1/85)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	90.98 (25/10/85)	82.17 (28/1/85)	150.4 (28/11/47)	50.53 (6/1/75)
Ordinary	1235.1 (19/2/86)	911.0 (26/7/85)	1235.1 (19/2/86)	49.4 (26/6/40)
Gold Mines	536.9 (15/4/85)	217.6 (5/11/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITIES

INDICES	Feb 18	Feb. 17
Daily		
Gilt Edged Bargains	179.7	155.8
Equities Bargains	259.9	257.2
Value	2,461.0	1,828.2
5 day Average		
Gilt Edged Bargains	142.7	131.6
Equities Bargains	226.5	215.4
Value	1,769.1	1,527.6

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed Feb 19 1986

Figures in parentheses show number of stocks per section

[illegible]

FIXED INTEREST

[illegible]

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BL	63	+ 2
Bowater Inds	323	+ 8
BP	538	− 5
Burton	258	+ 4
Exco Intl	218	+ 6
GUS A	890	− 7
Hanson Trust	150	+ 3
Imperial Group	308	− 6
Jaguar	471	+ 5
Marks and Spencer	186	+ 1
NMW Computers	275	−20
P. & O. Deferred	480	+14

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Granada	33	310	+74
GUS 'A'	28	897	+57
BAT Inds	23	368	+18
Wellcome	23	174	+ 8
Fisons	22	498	+18
GEC	22	208	+10
Imperial Group	22	314	− 6
Euro Ferries	19	169	+ 8
Beecham	18	361	− 7
British Aero	18	503	+15
Glaxo New	18	910	+ 8
STC	18	102	+ 4

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$320	33	22 B	30	32 B	—	—	$343.20
GOLD C	$340	441	3.50	205	17	—	—	"
GOLD C	$360	2	0.10	91	8.50	103	16.90	"
GOLD C	$380	—	—	33	4.20	6	10	"
GOLD C	$400	—	—	145	2.50	126	6.30	"
GOLD P	$300	—	—	40	1.20	85	3.20	"
GOLD P	$320	—	—	107	4.50	—	—	"
GOLD P	$340	21	2	62	11	—	—	"

[illegible]

TOTAL VOLUME IN CONTRACTS: 37,745

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1985/6 High	1985/6 Low	Stock	Closing price	+ or −	Net Divi.	Times covered	Gross Yield	P.E. Ratio
§160	F.P.	28/2	178	166	✠Brookmount	178	+2	R3.5	4.4	2.8	11.5
587	300	7/3	325	285	Cable & Wireless 50p	322	......	F9.5	2.9	2.9	17.3
§56	F.P.	31/1	65	59½	✠Granyte Surface 10p	65	......	b2.1	2.6	4.6	13.8
—	F.P.	—	175	100	Intl. Inv. Tst. J'rsy wts	162	......				
16	F.P.	6/3	120	115	Klearfold Inc. $0.01	115	−5	b$4.7c	3.0	2.8	12.9
105	F.P.	14/3	128	113	Macro 4 5p	126	+1	R1.0	6.5	1.1	18.3
§137	F.P.	7/3	134	125	✠Microsystems 10p	130	......	R1.78	4.6	2.0	18.4
¶¶330	F.P.	21/2	368	353	Really Useful Grp. 5p	368	......	b11.25	2.2	4.4	15.1
¶¶	F.P.	—	333	277	Storehouse 10p	327	−8	u6.7	2.8	2.5	28.3
††	F.P.	—	80	7	Telfos Warrants	19	......	—	—	—	—
100	F.P.	27/3	96	95	Throgmorton USM	95	+1	—	—	—	—
¶¶	F.P.	—	124	122	UK Land	122	......	—	—	—	—
190	F.P.	24/3	175	156	Wellcome	173	−1	u2.08	2.6	1.7	25.5
—	F.P.	—	22	13	Westland Warrants	13	−5	—	—	—	—
140	F.P.	7/3	144	140	✠Wickes 40p	143	+1	R2.0	4.7	2.0	15.1

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985/6 High	1985/6 Low	Stock	Closing price £	+ or −
97.203	25	4/4	28¼	20¼	Allied Lon.Props.10¾% 1st Mort.Deb.2025	28¼	+⅞
¶¶	F.P.	—	106	104	Anglo-Nordic 11½% Cm. Pf.	106	......
¶¶	F.P.	—	93	91	Do. 10% Cnv. Uns. Ln. '89/92	91	......
§98.287	£25	19/5	25¾	25⅛	Centrovincial Ests.11⅞% 1st Mort Db.2016	25¾	+¼
§99.745	£25	11/4	29	23¾	First Scot. Am. 11½% Deb. 2016	29	+⅛
‖	Nil	—	15ppm	10ppm	Lawrence (W.) 8.5% Cnv.Cum.Red.Pref.	10p pm	−5
‖	F.P.	27/3	108	103	Lon.Shop Prop.9¼% Cnv.Uns.Ln.'99/04	105	......
98.977	F.P.	10/3	100	99	Mecca Leisure 11½% Deb. 2011	100	......
100	F.P.	30/5	100½	100	Mid Sussex Wtr.8¼% Red. Pref. 1996	100½	......
—	F.P.	—	100⅝	99¾	Nationwide Bldg. Soc. 12⅛% 9/2/87	100½	......
§99.515	£40	26/2	41¼	36	Rosehaugh Greycoat 11% 1st Mt Db 2016	41¼	+⅞
††	F.P.	27/3	94	92	Telfos 9% Pref.	93½	......
§99.708	£40	28/2	41¼	36¼	T. T. Finance 11⅝% Gtd. Deb. 2016	41⅜	+⅜
100	F.P.	—	99	98	Throgmorton USM 5½% Pt.Cnv.Red.Prf.	99	......
‖	Nil	—	17ppm	15ppm	Westland 7½% Cnv. Cum. Prf.	15ppm	......

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985/6 High	1985/6 Low	Stock	Closing price	+ or −
82	F.P.	3/3	100	88	✠Cannon St. Invs. 20p	88	−4
100	F.P.	7/3	123	113	Chemring Cnv. Pfd. Ord. 5p	120	......
765	F.P.	21/3	850	785	CALA 50p	785	−5
Dm380	Nil	—	45pm	30pm	Commerzbank Dm10	30pm	......
235	Nil	13/3	53pm	38pm	Cray Electronics 10p	50pm	......
207	F.P.	—	245	215	✠Electron Hse. Units †	245	+5
207	Nil	—	37pm	20pm	Do. †	37pm	......
94	Nil	—	16pm	12pm	Meggitt Hldgs. 5p	14pm	+1
215	Nil	24/3	68pm	47pm	✠Midsummer Inns 50p	65pm	......
††200	F.P.	27/3	82	68	Telfos	82	......
35	Nil	10/3	7pm	3pm	Walker (C & W) 15p	3pm	......
140	Nil	27/3	34pm	28pm	Watsham's 5p	34pm	......
60	Nil	—	25pm	13pm	Westland	13pm	−2

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *g* Assumed dividend and yield. F Forecast dividend cover on earnings updated by latest interim statement. *H* Dividend and Yield based on prospectus or other official estimates for 1986. *R* Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. *t* Indicated dividends; cover relates to previous dividend; p/e ratio based on latest annual earnings. *u* Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ▪ Allotment price. ✠ Unlisted securities market. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt in under Rule 535 (4) (a). †† Units comprising two ordinary, one preference and one warrant. † Units comprising one New ordinary and one 6.5 per cent Cnv.Red.Prf.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	106	0	3
Corpns. Dom. and Foreign Bonds	41	2	39
Industrials	374	301	843
Financial and Prop.	157	83	333
Oils	10	42	73
Plantations	2	5	11
Mines	83	16	34
Others	58	78	87
Totals	831	527	1,473

TRADITIONAL OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb 17	Feb 28	May 29	June 9
Mar 3	Mar 14	June 12	June 23
Mar 17	Apr 4	June 26	July 7

For rate indications see end of Unit Trust Service

Call options were taken out in Sycamore, Lonrho, Hobson, London Investment Trust, Grattan, Brunswick, Martin Ford, Ferranti, North Kalgurli, Ransomes Sims and Jefferies, Cadbury Schweppes, Petranol, Aurora, Kwik-Fit, Folkes Group, Tranwood, Rowntree Mackintosh, Apricot Computers, UKO, Carless Capel, Pritchard Services, Cowan de Groot, George Wimpey, C. H. Bailey, STC and Amber Day. Puts were done in A. & P. Appledore and Polypipe. No doubles were reported.

NEW HIGHS AND LOWS FOR 1985/6

NEW HIGHS (167)

BRITISH FUNDS (9), AMERICANS (5), BANKS (3), BREWERS (2), BUILDINGS (12), CHEMICALS (3), STORES (5), ELECTRICALS (7), ENGINEERING (15), FOODS (2), HOTELS (2), INDUSTRIALS (31), INSURANCE (1), LEISURE (5), MOTORS (4), PAPER (4), PROPERTY (5), SHIPPING (2), TEXTILES (4), TRUSTS (39), OVERSEAS TRADERS (2), MINES (5).

NEW LOWS (23)

AMERICANS (3) Cenergy Corp., Louisiana Land, Microcomputer Memories. ELECTRICALS (1) Sigmex Internatl. INDUSTRIALS (1) Schlumberger. LEISURE (1) SeaCo Inc. PAPER (1) Eucalyptus. TRUSTS (1) Lond. Merchant Defd. OILS (14) Britoil, Bryson Oil & Gas, Dorset Resources, Enterprise Oil, Hunting Petroleum, LASMO, Do. Ops, Lysander Petroleum, Peko Oil, Ranger Oil, Santos, Sceptre Resources, Sovereign Oil, Tricentrol. MINES (1) Samson Expirtn.

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WORLD STOCK MARKETS

AUSTRIA

Feb. 19	Price Schs.	+ or –
[illegible]	[illegible]	[illegible]

BELGIUM/LUXEMBOURG

Feb. 19	Price Frs.	+ or –
[illegible]	[illegible]	[illegible]

DENMARK

Feb. 19	Price Kr's	+ or –
[illegible]	[illegible]	[illegible]

FRANCE

Feb. 19	Price Frs.	+ or –
[illegible]	[illegible]	[illegible]

GERMANY

Feb. 19	Price Dm.	+ or –
[illegible]	[illegible]	[illegible]

ITALY

Feb. 18	Price Lire	+ or –
[illegible]	[illegible]	[illegible]

NETHERLANDS

Feb. 19	Price Fls	+ or –
[illegible]	[illegible]	[illegible]

NORWAY

Feb. 19	Price Kroner	+ or –
[illegible]	[illegible]	[illegible]

SPAIN

Feb. 19	Price Pts %	+ or –
[illegible]	[illegible]	[illegible]

SWEDEN

Feb. 19	Price Kronor	+ or –
[illegible]	[illegible]	[illegible]

SWITZERLAND

Feb. 19	Price Frs.	+ or –
[illegible]	[illegible]	[illegible]

AUSTRALIA

Feb. 19	Price Aust. $	+ or –
[illegible]	[illegible]	[illegible]

AUSTRALIA (continued)

Feb. 19	Price Aust. $	+ or –
[illegible]	[illegible]	[illegible]

HONG KONG

Feb. 19	Price H.K. $	+ or –
[illegible]	[illegible]	[illegible]

JAPAN

Feb. 19	Price Yen	+ or –
[illegible]	[illegible]	[illegible]

JAPAN (continued)

Feb. 19	Price Yen	+ or –
[illegible]	[illegible]	[illegible]

SINGAPORE

Feb. 19	Price $	+ or –
[illegible]	[illegible]	[illegible]

SOUTH AFRICA

Feb. 19	Price Rand	+ or –
[illegible]	[illegible]	[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Schillings.

CANADA

TORONTO

Closing prices February 19

Sales	Stock	High	Low	Close	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

F—No voting rights or restricted voting rights

MONTREAL

Closing prices February 19

Sales	Stock	High	Low	Close	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Sales 5,735,426 shares

Indices

NEW YORK—DOW JONES

	Feb 19	Feb 18	Feb 17	Feb 14	Feb 13	Feb 12	1985/86 High	1985/86 Low	Since Compilation High	Since Compilation Low
Industrials	[illegible]	[illegible]	closed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transport	[illegible]	[illegible]	closed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Utilities	[illegible]	[illegible]	closed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trading vol	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]				

STANDARD AND POORS

	Feb 19	Feb 18	Feb 17	Feb 14	Feb 13	Feb 12	1985/86 High	1985/86 Low	Since Compilation High	Since Compilation Low
Industrials	[illegible]	[illegible]	closed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Composite	[illegible]	[illegible]	closed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

N.Y.S.E. ALL COMMON

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RISES AND FALLS

	[illegible]	[illegible]	[illegible]
Issues traded	[illegible]	[illegible]	[illegible]
Rises	[illegible]	[illegible]	[illegible]
Falls	[illegible]	[illegible]	[illegible]
Unchanged	[illegible]	[illegible]	[illegible]

NYSE-Consolidated 1500 Actives

Stocks	Traded	Closing Price	Change on Day	Stocks	Traded	Closing Price	Change on Day
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Southern	1,292,800	22¾	– ⅛	Gearhart Ind	1,001,700	3⅛	– ⅛

Advances 874 Declines 871

TORONTO

	Feb 19	Feb 18	Feb 17	Feb 14	1985/86 High	1985/86 Low
Metals & Minls	2,155.3	2,163.2	2,128.3	2,122.36	2289.6 (28/1/86)	1740.82 (31/10/85)
Composite	2,798.7	2,781.9	2,754.8	2,761.3	2988.6 (31/12/85)	2348.5 (8/1/85)
MONTREAL Portfolio	135.72	135.43	133.75	134.02	142.07 (17/12/85)	117.88 (4/1/85)

* Indicates pre-close figure

World indices

	Feb. 19	Feb. 18	Feb. 17	Feb. 14	1985-86 High	1985-86 Low
AUSTRALIA All Ord. (1/1/80)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Metals & Mins. (1/1/80)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AUSTRIA Credit Aktien (2/1/62)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BELGIUM Brussels SE (1/1/80)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DENMARK Copenhagen SE (3/1/83)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FRANCE CAC General (31/12/85)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ind Tendance (31/12/85)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GERMANY FAZ Aktien (31/12/58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commerzbank (1/12/53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HONG KONG Hang Seng Bank (31/7/64)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ITALY Banca Comm Ital. (1972)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JAPAN** Nikkei (16/5/49)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo SE New (4/1/68)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NETHERLANDS ANP-CBS General (1970)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ANP-CBS Indust (1970)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NORWAY Oslo SE (4/1/83)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SINGAPORE Straits Times (30/12/66)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SOUTH AFRICA JSE Gold (28/9/78)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JSE Indust (28/9/78)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SPAIN Madrid SE (30/12/85)	111.48	110.58	110.82	111.89	113.11 (28/1/86)	100.0 (30/12/85)
SWEDEN Jacobson & P (31/12/56)	1873.61	1845.85	1856.46	1824.53	1907.25 (8/1/86)	1285.32 (9/7)
SWITZERLAND Swiss BankCpn (31/12/58)	(u)	567.8	569.5	569.5	625.5 (8/1/86)	389.7 (5/1/85)
WORLD M.S. Capital Intl. (1/1/70)	—	274.5	272.5	271.2	274.5 (18/2/86)	184.8 (4/1/85)

** Saturday February 15: Japan Nikkei 13,404.3. TSE 1070.43.

Base value of all indices is 100, except; Brussels SE—1.000; JSE Gold—255.7; JSE Industrial 264.3: Australia All Ordinary and Metals—500; NYSE Composite—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed u Unavailable.

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 39

Stock	Sales (Hunds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NYSE COMPOSITE CLOSING PRICES

Continued from Page 39

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES			FALLS		
Tr 10pc Cnv.	£96⁹⁄₁₆	+⁷⁄₁₆	Granada	294	–16
Tr 8pc 2002/06	£83	+⅛	Imperial Group	308	– 6
AC Cars	125	+40	Miss World	160	–30
Banro Inds.	175	+20	NMW Computers	275	–20
Country Props.	320	+18	Rank Org	537	–10
Elandsrand	505	+40	Sigmex Intl	86	–11
Elsburg	175	+15	Utd. Biscuits	220	– 6
Glaxo	933	+28	Wates (C of Lon)	130	– 4
Hall (Matthew)	150	+ 8			
High-Point	430	+45			
Kennedy B	262	+14			
Mercantile	332	+24			
P & O Defd.	480	+14			
Pepe	108	+13			
Ransomes Sims	164	+11			
Reuters B	398	+15			
Tarmac	402	+12			
Tesco	323	+11			
Tootal	88	+4½			
Tozer Kemsley	103	+ 7			
Wimpey (G.)	168	+ 7			

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19 1/2	10 5/8	AAR s			18	255	u19 5/8	18 7/8	19 5/8	+ 1/8
25	10 1/4	AGS			20	377	u25 3/8	24 3/4	25	
14	9 7/8	AMCA				40	12 1/8	11 3/4	12 1/8	+ 3/8
52 5/8	37 1/2	AMR			9	3362	u52 3/4	51 1/2	51 5/8	− 1
24 3/4	19 5/8	AMR pf2.18		8.9		5	24 1/2	24 3/8	24 3/8	− 1/8
25 5/8	23 1/4	ANR pf2.67		11.		3	24 1/2	24 1/4	24 1/2	+ 3/8
12 1/2	7 7/8	APL			7	32	12 5/8	12 1/4	12 1/4	− 1/8
16 3/4	10 3/8	ARX			13	95	14 3/4	14 1/2	14 5/8	− 1/8
55 5/8	32 1/2	ASA	2a	5.3		361	38 1/2	38	38	+ 1/2
25 1/4	10 1/2	AVX		1.9		996	17 7/8	16 1/2	16 5/8	+ 1/4
28 1/8	20 5/8	AZP	2.72	9.9	7	1499	27 1/2	27 1/4	27 3/8	+ 1/8
72	46 1/4	AbtLab 1.40		2.1	17	3016	68	66 3/4	66 3/4	− 1 1/4
30 1/8	19 3/8	AccoWd .50		1.7	21	35	29 1/4	29	29	− 1/4
24 3/4	10	AcmeC .40		3.1	19	299	13	12 7/8	13	+ 1/8
10 1/8	7	AcmeE .32b		3.6	16	7	9	8 7/8	8 7/8	− 1/8
19 3/4	16 7/8	AdaEx 1.90e		10		157	18 1/4	18	18 1/8	− 1/8
24 3/4	14	AdmMl .40		1.7	10	72	24 1/2	24	24	− 3/8
19	8 3/4	AdvSys1.36t		7.1	17	512	u19 3/8	18 5/8	19 1/8	+ 1/8
34	22 1/8	AMD				4497	32 1/2	31 1/2	31 3/4	− 1/8
12 5/8	10 1/8	Adobe n				22	10 1/8	d10	10	− 1/8
18 3/8	14 5/8	Adob pf1.84		12.		13	16 1/8	16	16	
18 1/2	15 1/4	Adob pf2.40		13		115	18 1/2	18 3/8	18 1/2	+ 3/8
16 3/8	8 1/4	Advest .12a		7	16	641	u17	16 3/4	16 3/4	+ 1/8
58 5/8	39 1/8	AetnLf 2.64		4.4	20	5962	u61 1/8	59 3/4	60 5/8	+ 1
57 1/2	52 1/2	AetL pf5.19e		9.6		134	54 1/8	53 7/8	54 1/8	+ 1/8
100 1/2	99 3/4	AetL plC 92e		9		50	100 1/4	100 1/4	100 1/4	+ 1/4
68 1/4	27 1/4	Ahmns 1.20		1.9	8	3499	68	64 3/8	64 1/2	− 3 3/4
4 1/2	2 1/2	Aileen			181	153	3 3/4	3 1/2	3 5/8	− 1/2
75 1/4	46 7/8	AirPrd 1.48		2.0	15	1168	74 5/8	74 1/4	74 1/4	− 5/8
24 3/8	17 1/2	AirbFrt .60		2.8	16	212	21 3/4	21 1/8	21 1/2	+ 3/8

Continued on Page 39

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NYSE COMPOSITE CLOSING PRICES

Continued from Page 38

P Q

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
41	28¼	PHH	1	2.6	14	218	38⅛	38⅝	38¼	−¾
57¼	34½	PPG	1.76	3.1	13	1915	u58¼	57	57⅝	+⅝
31½	20¾	PSA	.60	2.1	13	469	29	28¼	28¼	−¾
23⅜	18½	PSA dpf	1.90	9.0		6	22	21	21	−1
15¼	12⅝	PacAS	1.34	10.		35	u15⅜	15⅛	15⅜	+¼
21⅛	16⅝	PacGE	1.84	8.7	8	1269	u21½	21	21¼	+⅛
50⅞	39⅝	PacLtg	3.48	7.1	13	253	49⅝	48¼	48⅞	−⅝
41⅛	24½	PcLum	1.20	3.0	26	169	39¾	39⅝	39⅝	
12½	6¾	PacRes			10	198	11½	10⅝	11½	+⅞
22⅛	15⅝	PacRs pf	2	9.3		35	21½	21⅜	21½	
17½	12⅝	PacSci	.40	2.6	15	122	15¾	15⅛	15⅝	
89	67½	PacTel	6.72	8.6	10	3324	u89⅝	86½	86⅝	−2⅞
15	10⅛	PacTin	.40	2.8	11	3	14⅛	14⅛	14⅛	+¼
33¼	25¾	Pacifcp	2.40	7.4	9	3692	32⅞	32¼	32⅝	−⅜
37½	31	Pacif pf	4.07	12.		66	34	33½	33¾	−⅝
42¾	25¼	PainWb	.60	1.5	20	2772	42½	41	41¼	−⅞
34⅛	25⅞	PaiAW pf	2.26	6.8		251	33¼	32⅝	32⅞	−¾
9½	4	PanAm				2272	8⅝	8¼	8⅜	−¼
4	2	PanA wt				289	3⅛	3⅛	3⅛	
21½	13⅝	Pandckn	.20	.9	21	199	u21⅝	21⅛	21⅛	
41½	33⅝	PanhEC	2.30	6.6	12	2635	35	34¼	34¾	−¼
29⅝	16⅜	Pansph			18	616	29⅛	28⅝	28⅝	−¼
11⅝	4½	PantPr				2232	11½	11⅛	11¼	
17½	5⅝	Pardyn				6299	7⅛	6¾	7	
18⅝	11½	ParkEl	.08e	.3	18	141	u18⅞	18¼	18⅝	+⅜
7⅛	3½	ParkDrl	.08	2.2		579	3¾	3½	3⅝	
41¾	28¼	ParkH	1.12	2.7	14	681	u42⅝	41⅜	41½	−¼
5	3¼	PatPtr s			10	114	3⅝	3½	3½	−¼
15½	11½	PayNP	.64	4.7	17	630	13⅝	13½	13¾	
23⅜	13½	PayCsh	.16	.8	22	1938	19¾	19⅛	19⅜	−⅛
1	⅛	Peago				61	7-16	7-16	7-16	−1-32
58⅝	45	PenCen			20	405	55⅞	54⅝	55	−⅝
61½	45⅜	Penney	2.36	4.0	11	2641	u61⅞	58⅝	59⅝	−1¼
33	23½	PaPL	2.56	7.8	12	2457	33	32¾	32⅞	−⅛

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24	16½	WebbD	.20	.9	12	341	23⅝	23½	23½	−¼
12	8	Wedtch			13	328	9¼	8⅞	9⅛	+⅛
22	19	WeinR n	1.56	7.8		27	20	19⅞	19⅞	
42	23½	WeisM s	.64	1.5	19	43	37¼	36½	37	+¼
79⅝	48⅝	WellsF	2.72	3.6	9	834	77	74⅝	75⅛	−2⅛
51	45½	WelF pf	4.26e	8.9		145	47⅞	47¾	47⅞	+¼
29¼	20½	WelFM	2.80	10.	12	147	26⅞	26½	26¾	+⅛
18¼	14⅜	Wendys	.24	1.4	17	4603	18½	17⅜	17¾	−1⅛
29⅝	19¾	WestCo	.48	1.7	16	212	29¼	28⅝	29	
50	37⅜	WPenP pf	4.50	9.4		z300	48	48	48	−1
48	35	WstPtP	2.20	4.6	17	381	48	47⅛	47½	+⅛
14¼	10¼	WstctT	g1.04		24	158	10½	d10	10	−¼
9¼	5⅛	WnAirL			5	4895	8⅞	8½	8⅝	−⅛
3⅛	1⅝	WtAir wt				319	3	2⅞	2⅞	
26½	16¼	WAir pf	2	7.7		47	26¼	25¾	26	+¼
8⅛	1⅛	WCNA				695	1¼	1⅛	1⅛	−¼
50½	9⅛	WCNA pf	1.81j			5	9¼	9⅛	9⅛	−⅛
139¾	107	WPacl			12	21	134	133	133	−1
18½	8⅝	WstSL s	.20	1.2	7	110	17⅞	17⅛	17⅛	−¾
15½	7⅞	WUnion				1279	10	9⅝	9⅝	−⅛
46½	26⅛	WnUn pf				4	36	35	36	
48	30½	WnU pfC				2	37¼	37¼	37¼	+¼
7¾	3⅝	WnU pfS				70	6⅛	6	6	−⅜
14¼	6	WnU pfE				189	10½	10⅛	10¼	−¼
42½	24½	WUTl pf				1	35	35	35	−1
15⅛	8⅛	WUTl pfA				37	14¼	14⅛	14⅛	
48⅛	25	WstgE	1.20	2.5	14	6474	u48⅞	47⅝	48½	+½
52	34⅞	Westvc	1.32	2.6	14	126	51⅞	51½	51¾	−⅛
35⅛	24¾	Weyerhl	.30	3.8	26	3115	35⅛	34½	34⅝	−⅜
47	37⅞	Weyr pf	2.80	6.1		107	46¾	45⅞	46⅛	−⅛
54	46¾	Weyr pr	4.50	8.5		55	53⅝	53	53	
17⅛	6⅜	vjWhPit				34	8¼	8	8	−⅛
37½	14⅛	vjWPit pfB				z50	20	20	20	+½
31¾	10½	vjWhPit pf				z50	16½	16½	16½	+¼
59¾	40½	Whirlpl	2	3.3	12	1972	u61½	59¾	60½	+¾
36⅝	25½	WhitC	1.50	4.2		763	36⅛	35⅝	36	
48¾	46⅞	WhitC pfA	3	6.1		3	u49	49	49	+½
45⅛	39¼	WhitC pfC	3	7.2		5	41¾	41¾	41¾	+¼
34⅞	19⅝	Whitehl			13	365	32¾	31¾	32⅝	−⅜
26½	17¼	Whittak	.60	2.9	15	205	20¾	20⅜	20⅜	−¼
15⅛	8	Wilfred	.12	1.0	14	10	12⅝	12⅝	12⅝	−⅛
16¾	7⅞	WillcxG	.10	.6	7	414	16¾	16¼	16½	−⅛
33½	21¾	Willaml	.40	5.9	26	1202	24⅛	23⅝	23¾	−¼
8½	3	WilmEl				518	8⅜	8⅛	8⅛	
7⅝	4	WilshrO	.10b	2.4	13	23	4⅜	4¼	4¼	⅛
38⅞	32⅛	WinDix	1.74	4.7	14	102	38½	36¾	36¾	1¼
20	8½	Winnbg	.20	1.3	28	1538	15¼	14⅝	14⅞	½
9⅝	5⅞	Winner				109	6¼	6	6⅛	⅛
9½	4	WinterJ				76	8½	8	8⅜	+⅜
44	30¾	WiscEP	2.48	5.7	10	635	u44⅛	43⅝	43¾	¼
98	75¾	WisE pf	8.90	9.2		z20	97¼	97¼	97¼	¾

Continued on Page 37

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 *per cent or more has been paid*, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER

Nasdaq national market, closing prices

Continued on Page 37

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Fed chief puts brake on rally

BUYERS backed away from Wall Street yesterday after comments on US interest rates and the dollar from Mr Paul Volcker, Federal Reserve chief, and Mr James Baker, Treasury Secretary, *writes Terry Byland in New York.*

The four-day surge in stock prices was broken despite further falls in US oil prices. Selling in the stock market was moderate, and losses in blue chips, triggered by weakness in stock index futures, were reduced at mid-session. Bonds, however, could not sustain an attempt to rally from early falls.

Towards the close, when short-term interest rates were 12 basis points up, selling increased in the stock market. The Dow Jones industrial average ended 20.52 points down at 1,658.26, on heavy turnover of 153.4m shares on the NYSE.

Mr Volcker's appearance before Congress to deliver his annual Humphrey-Hawkins reports was the focus of attention in the credit markets. His statement that there had been no significant change in Fed policy confirmed the weaker start by bond prices, which responded to the disclosure of a sharp jump in January housing starts.

Bond prices later steadied after Mr Baker said there was no disagreement on interest rates between the Treasury and the Federal Reserve. But, with the dollar also erratic, major institutions kept out of Wall Street for the remainder of the session. Losses in the stock market quickly lengthened although blue chips suffered most.

Mr Volcker's suggestion that the dollar had fallen far enough brought cautious profit-taking in overseas-earning stocks.

IBM ran into persistent selling, falling $1⅜ to $157½. Honeywell also weakened, down $2⅝ to $80½. Du Pont crumbled by $1¼ to $69¾ and General Electric lost $1 to $74⅞.

Mr Volcker's approval of the Gramm-Rudman legislation was not unexpected. General Dynamics lost $3¾ to $72, United Technologies $⅞ to $52¼, Boeing $⅞ to $48½ and McDonnell Douglas $¼ to $78⅞.

Oil stocks suffered renewed losses as US producers continued to cut offering prices for crude. Exxon slipped $⅞ to $51⅛, Mobil $¼ to $28 and Atlantic Richfield $¾ to $51⅞.

Airline issues were mixed. While profit-takers trimmed American, down $1 at $51⅝, and Delta, down $⅛ at $45, Northwest Air continued to move up, adding $1¼ to $49¼.

The financial sector was chastened by a sharp jump in short-term rates in the wake of Mr Volcker's comments on Fed policy. Chase Manhattan eased $⅝ to $38⅞ and Citicorp $¾ to $49¼. Bankers Trust, banned by a federal court from continuing its commercial paper operations, eased $⅞ to $38⅛.

Financial Corporation of America, the thrift sector leader which has been favoured as interest rates have eased, dipped $⅞ to $13⅞. Federal National Mortgage Association (Fannie Mae), also a favourite interest rate stock, eased $⅞ to $31⅛ in heavy trading.

Utility issues also suffered widespread losses on interest rate factors.

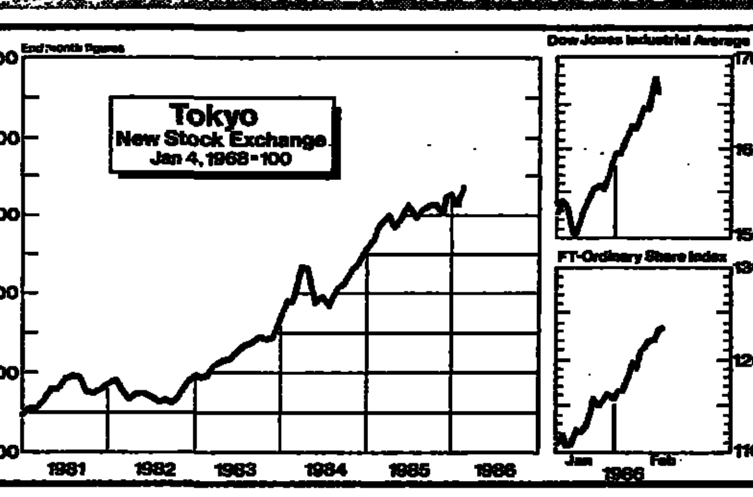
Phibro-Salomon slipped $1⅛ to $48¾ following results. Aetna Life & Casualty, which also disclosed trading figures, jumped $1 to $60⅞. Others responding to trading statements included International Harvester, steady at $8¾, Coca-Cola, down $1½ at $86½, and Colgate-Palmolive, $⅝ off at $34.

Johnson & Johnson continued to dominate the NYSE active stocks list, falling $1⅛ to $48 as Wall Street assessed the earnings implications of the withdrawal of capsule containers in its over-the-counter drug sales.

There was further support for Singer Manufacturing's disclosure that it might shed its sewing machine interests. At $46½ the stock added a further $⅝.

In the credit markets Treasury bill rates jumped 10 basis points after Mr Volcker's comments to Congress discouraged hopes of an early easing in Federal Reserve credit policies. Bond prices were ¼ point up at best but turned off again later to show minor net losses as firmness in the dollar signalled doubts over the next trend in interest rate.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Feb 19	Previous	Year ago
DJ Industrials	1,658.26	1,678.56	1,280.59
DJ Transport	784.43	784.78	632.20
DJ Utilities	182.60	183.27	150.39
S&P Composite	219.76	222.45	181.18
LONDON			
FT Ord	1,235.1	1,234.3	981.3
FT-SE 100	1,491.4	1,491.9	1,275.9
FT-A All-share	726.46	725.49	614.71
FT-A 500	799.18	798.20	672.70
FT Gold mines	326.3	317.6	297.2
FT-A Long gilt	10.19	10.23	10.79
TOKYO			
Nikkei	13,466.65	13,436.23	12,156.6
Tokyo SE	1,072.64	1,074.6	947.18
AUSTRALIA			
All Ord.	1,049.6	1,047.1	795.4
Metals & Mins.	504.1	500.8	466.6
AUSTRIA			
Credit Aktien	114.90	114.64	65.80
BELGIUM			
Belgian SE	3,168.28	3,118.24	2,178.55
CANADA			
Toronto			
Metals & Minls	2,155.3	2,163.2	2,140.0
Composite	2,790.7	2,781.9	2,609.7
Montreal			
Portfolio	135.72	135.43	131.10
DENMARK			
SE	n/a	230.57	175.61
FRANCE			
CAC Gen	302.6	296.3	201.5
Ind Tendance	114.2	111.4	70.6
WEST GERMANY			
FAZ-Aktien	656.57	649.48	406.15
Commerzbank	1,977.0	1,955.2	1,181.0
HONG KONG			
Hang Seng	1,751.67	1,771.41	1,435.17
ITALY			
Banca Comm.	527.52	534.94	286.58
NETHERLANDS			
ANP-CBS Gen	249.0	252.2	203.1
ANP-CBS Ind	241.5	243.6	160.6
NORWAY			
Oslo SE	365.11	368.58	325.94
SINGAPORE			
Straits Times	628.61	621.44	810.90
SOUTH AFRICA			
JSE Golds	–	1,168.7	918.5
JSE Industrials	–	1,123.7	868.0
SPAIN			
Madrid SE	111.48	110.59	85.14
SWEDEN			
J & P	1,873.61	1,845.85	1,441.70
SWITZERLAND			
Swiss Bank Ind	closed	567.8	418.4
WORLD	Feb 18	Prev	Year ago
MS Capital Int'l	274.5	272.5	196.6

COMMODITIES

(London)	Feb 19	Prev
Silver (spot fixing)	413.95p	410.10p
Copper (cash)	£968.50	£984.50
Coffee (Mar)	£2,481.00	£2,428.00
Oil (spot Arabian Light)	n/a	n/a

GOLD (per ounce)

	Feb 19	Prev
London	$342.25	$336.50
Zürich	$341.50	$337.25
Paris (fixing)	$345.58	$334.65
Luxembourg	$341.25	$332.75
New York (April)	$339.00	$339.70

CURRENCIES

	US DOLLAR		STERLING	
(London)	Feb 19	Previous	Feb 19	Previous
$	–	–	1.4505	1.428
DM	2.304	2.343	3.3425	3.345
Yen	179.25	181.05	260.0	258.5
FFr	7.05	7.195	10.225	10.275
SFr	1.9055	1.938	2.765	2.7675
Guilder	2.5785	2.6485	3.74	3.7825
Lira	1,555.5	1,594.0	2,256.25	2,276.25
BFr	46.9	47.95	68.0	68.45
C$	1.3925	1.39575	2.0307	1.995

INTEREST RATES

Euro-currencies (3-month offered rate)	Feb 19	Prev
£	12⅝	12[9/16]
SFr	3⅞	3⅞
DM	4[5/16]	4⅜
FFr	15¼	14⅝
FT London Interbank fixing (offered rate)		
3-month US$	8	8
6-month US$	8	8
US Fed Funds	7⅞	7[15/16]
US3-month CDs	7.60	7.60
US3-month T-bills	7.06	7.01

US BONDS

Treasury

		Feb 19 Price	Feb 19 Yield	Prev Price	Prev Yield
8¼	1988	100[8/32]	8.05	100[11/32]	7.927
8¾	1993	101[1/32]	8.546	101[9/32]	8.492
8⅞	1996	101[10/32]	8.675	101[17/32]	8.643
9¼	2016	103[10/32]	8.905	103[24/32]	8.89

Treasury Index

Maturity (years)	Return index	Feb 19 Day's change	Yield	Day's change
1–30	141.29	−0.02	8.50	+0.02
1–10	136.93	−0.05	8.29	+0.02
1– 3	130.70	−0.04	8.02	+0.03
3– 5	139.00	−0.09	8.37	+0.03
15–30	156.92	+0.03	9.23	0

Source: Merrill Lynch

Corporate	Feb 19* Price	Feb 19* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	100⅜	10.22	100¾	10.18
3⅞ July 1990	87⅞	7.30	87¾	7.35
8¾ May 2000	93½	9.60	93½	9.60
Xerox				
10⅞ Mar 1993	105¼	9.60	105⅝	9.55
Diamond Shamrock				
10⅜ May 1993	103½	9.93	103¾	9.88
Federated Dept Stores				
10⅞ May 2013	93⅞	9.60	93½	9.60
Abbot Lab				
11.80 Feb 2013	113⅞	10.30	114	10.25
Alcoa				
12¼ Dec 2012	111½	10.95	111⅝	10.90

Source: Salomon Brothers

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT) 8% 32nds of 100%				
Mar	88–06	89–00	87–26	88–18
US Treasury Bills (IMM) $1m points of 100%				
Mar	93.05	93.15	93.03	93.17
Certificates of Deposit (IMM) $1m points of 100%				
Mar	92.39	92.42	92.35	92.47
LONDON				
Three-month Eurodollar $1m points of 100%				
Mar	92.08	92.13	92.04	92.12
20-year Notional Gilt £50,000 32nds of 100%				
Mar	112–28	113–09	112–11	112–25

* Latest available figures

TOKYO

Rising yen spurs climb to peaks

A SHIFT of speculative funds to domestic demand-oriented issues boosted Tokyo yesterday in record turnover, *writes Shigeo Nishiwaki of Jiji Press.*

Investors bought consumption-related issues such as department stores and supermarket chains. Large-capital stocks, such as Tokyo Gas, Mitsubishi Heavy Industries and Nippon Steel, also attracted buyers.

The Nikkei average rose 30.42 to a peak of 13,466.65. The volume of 744m shares traded exceeded the previous high of 693m on Tuesday. Gains exceeded losses by 449 to 431, with 99 issues unchanged.

With the yen surging up to 179 against the dollar in the Tokyo foreign exchange market, selective buying shifted to domestic-demand stocks subject to smaller exchange risks and standing to gain from government measures to boost domestic demand.

Consumption-related issues gained ground in anticipation of an expansion of consumer spending. Mitsukoshi added Y15 to Y675, Isetan Y27 to Y807 and Seiyu Y80 to Y1,190.

On similar grounds, some food shares were favoured, with Kirin Brewery firming Y27 to Y855 and Ajinomoto Y60 to Y1,290.

On news that electric power companies are expected to invest the bulk of their exchange gains from the yen's sharp appreciation in plant and equipment, Takaoka Electric Manufacturing climbed Y33 to Y518 and Meidensha Electric Manufacturing Y28 to Y593.

Renewed buying interest in public works-related issues, sparked by planned increases in public works spending in the forthcoming fiscal year, drove Kajima up Y16 to Y536, Tekken Construction Y31 to Y492 and Ohbayashi Y14 to Y413.

Large private railway issues, which had risen across the board on news of a Cabinet decision to provide tax incentives for shifts to four-track lines in urban areas, fell back on profit-taking.

Keisei Electric Railway shed Y10 to Y420, Odakyu Electric Railway Y4 to Y597 and Nishi-Nippon Railroad Y15 to Y436.

Iseki, which had led the speculative market, relinquished Y25 to Y425 and Tsubakimoto Chain Y11 to Y427.

Among favoured large-capital issues Nippon Steel topped the list of most-active stocks with 62.1m shares traded. It gained Y8 to Y168. Tokyo Gas ranked second on the list with 58.3m shares traded. It firmed Y9 to Y346. Mitsubishi Heavy Industries also advanced Y18 to Y379 in active trading.

Many institutional investors remained out of the market. Nikko Securities said trust banks began buying stocks in small lots, encouraging investors to seek large-capital issues.

CANADA

STRONGER industrials led Toronto higher as investors consolidated gains of the previous session.

Among actives Bell Canada traded C$½ up to C$38½, Canadian Pacific added C$⅜ to C$16⅞ and Trilon Class A was up C$⅝ to C$27.

Among golds Campbell Red Lake gained C$½ to C$27¼ and Dome Mines C$⅜ to C$14¼ while Lac Minerals traded C$¼ lower to C$36⅞.

In Montreal all sectors, apart from oils, were higher.

SOUTH AFRICA

A STRONG recovery in the bullion price sparked local buying interest in Johannesburg.

Among golds Buffels added R1.75 to R72.25, F.S. Geduld a similar amount to R70.50, and Driefontein 50 cents to R54.50.

Mining financial Anglo American was R1 up at R41. Other minings were also higher, with diamond share De Beers adding 55 cents to R18 and Rustenburg Platinum R1.25 at R28.50.

EUROPE

Spotlight fixed on Brussels

THE SPOTLIGHT remained firmly on the Belgian market yesterday as the rest of the European bourses turned mixed. Italian profit-takers however finally marshalled their forces to end the current record run.

Brussels put on one of its most impressive displays with a large 50.04 jump in the Belgian Stock Exchange index to a fresh peak of 3,168.28.

The prospect of a cut in withholding tax took centre stage, and the growing belief that the Government may have settled on a 5 percentage point cut galvanised sentiment.

Broad gains were achieved although chemicals and holdings companies again featured strongly on domestic buy lists.

UCB sparkled with a BFr 190 jump to BFr 6,300, another 12-month high, while Solvay reversed some of the damage sustained in the previous session with its BFr 90 advance to BFr 7,190, also a fresh peak.

Among oils market leader Petrofina continued its relentless advance with a further BFr 10 rise to BFr 6,650, and Sidro put on BFr 25 to BFr 1,850. Cometra, at BFr 2,800, added BFr 95.

Société Générale de Belgique, linked to reports of a possible takeover of metals group Vieille-Montagne in the previous session, gained BFr 15 more to BFr 2,365.

Wagons-Lits, the tourism group associated with the trans-European Orient Express line, dazzled dealers with a huge BFr 510 rise to a record BFr 5,600.

Among the major utilities that have underpinned a good portion of the present bull run Intercom firmed BFr 85 to BFr 3,510 while Unerg put on BFr 90 to BFr 2,610.

Frankfurt finished the day mixed although early strength showed through with a 21.8 gain in the mid-session calculation of the Commerzbank index of 1,977.0.

Domestic and foreign profit-takers mauled the technical recovery staged on Tuesday while any good news, such as Porsche's record profits, was seemingly ignored.

The sports car group, which derives a large portion of its sales and net income from the US, was marked down DM 100 to DM 1,240. Suggestions that the group may launch a rights issues did little to improve sentiment.

Banks were torn between the benefits of a lower dollar and the possibility that some oil-producing nations could default on debt. Deutsche Bank added DM 2 to DM 772, and Commerzbank picked up DM 1.30 with Dresdner DM 4 lower at DM 386.

Lufthansa slumped DM 22 to DM 270 on reports, denied by the airline, that it had lost heavily because of unexecuted foreign currency options intended to cover aircraft purchases from the US.

Declining interest rates and a weaker oil price buoyed **Stockholm** sharply higher although attention continued firmly fixed on Fermenta, in the wake of Tuesdays' dramatic fall. Yesterday's SKr 57 plunge was no less dramatic as the once meteoric biotechnology group finished at SKr 144.

Electrolux was the most active, however, with a SKr 3 rise to SKr 251 while Asea advanced SKr 16 to SKr 356 on a major commuter train order to Turkey.

Zurich turned cautious as institutions became wary over the path of the dollar.

MILAN suffered a bout of profit-taking as investors cashed in on impressive gains over the past few days, *writes Alan Friedman in Milan.*

Star performers such as Fiat, Generali and Olivetti all closed lower at the end of session, although Montedison gained L122 to close at L3,250.

The setback, which saw the Banca Commerciale index down 7.42 at 527.52, came after a record on Tuesday. Aside from lower oil prices, the bourse has sustained the bull run which in 1985 saw the BCI index more than double because of improving corporate results and the influence of new unit trusts which continue pouring funds into the market.

The total market capitalisation of the bourse is now close to $70bn, compared with a market value of $28bn a year ago. Beyond fundamental factors, the boom is still explainable in part by tremendous cash liquidity and a lack of new issue supply.

Montedison's capitalisation, for example, has jumped from L1,728bn a year ago, when its share prices was L1,571, to yesterday's L3,575bn ($2.27bn), or L3,250 a share.

Fiat, a leading light of the exchange's recent surge, fell L130 to close at L8,150. Profit-taking continued in after-hours trading when it touched L7,900.

In the insurance sector Generali, Italy's leading insurer and one of the most actively traded shares on the bourse, suffered a 2 per cent drop in its price (L189) to close at L86,200.

Most banks eased, with Union Bank bearer down SFr 20 to SFr 4,810.

Among firmer insurers Swiss Re bearer gained SFr 300 to SFr 15,000 while Winterthur bearer closed SFr 20 firmer at SFr 5,020.

Leading food group Nestlé added SFr 25 to its bearer share at SFr 8,625 although its registered stock retreated SFr 20 to SFr 4,550.

Paris was inundated with bargain-hunters, domestic and foreign alike. German and Japanese investors were evident in heavy buying inspired by a wealth of encouraging corporate and national economic data.

Amsterdam continued lower, and **Madrid** encountered another round of pedestrian trading.

LONDON

EARLY enthusiasm, sparked by optimism on interest rates and tax cuts, took London higher at the beginning of yesterday's session. However, profit-taking sapped some of the momentum of the rise, and the FT Ordinary index, after fluctuating during the day, closed 0.8 up at 1,235.1.

Among actives Imperial Group fell 6p to 308p on news that Hanson Trust, up 3p to 150p, would not increase its bid. BL added 2p to 63p in active trading. The British Government is negotiating to sell parts of the motor group.

Other actives included Bowater Industries, which added 8p to 323p, Burton, up 4p to 258p, Exco International, 6p higher at 218p, Gus A, which added 7p to 890p, and P&O Defd, which closed 14p up at 480p. BP lost 5p to 538p.

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AUSTRALIA

OVERNIGHT strength on Wall Street and in London, and a firmer gold price, boosted Sydney where the All Ordinaries index added 25 to 1,049.6.

Golds and base-metal mines led much of the advance, with Kidston adding 20 cents to S$5.60, Central Norsemen 20 cents to A$6.90 and MIM 4 cents to A$2.52.

Lack of buying support for BHP took it 10 cents down to A$6.90. Bell Resources, however, added 10 cents to A$4.90 while Bell Group was 20 cents up at A$6.84.

Among industrials Elders IXL added 15 cents to A$3.47 on speculation of a takeover bid.

HONG KONG

PROFIT-TAKING, particularly in the property sector, took Hong Kong lower, and the Hang Seng index shed 19.74 to close at 1,751.67.

Among properties, which have shown gains recently on expectations of strong profit reports next month, Cheung Kong lost 30 cents to HK$20.50, Hutchison Whampoa 50 cents to HK$27.20 and New World Developments 10 cents to HK$6.45.

Utilities were generally lower, with Hongkong and China Gas 20 cents down at HK$13.80 and Hongkong Electric 10 cents lower at HK$8.85. However, China Light and Hongkong Telephone were steady at HK$16.20 and HK$10.90.

SINGAPORE

RENEWED buying interest, particularly in Malaysian-based issues and short covering was felt in Singapore where the Straits Times industrial index rose 7.17 to 628.61.

Among actives Sealion Hotel closed 8 cents up at 59 cents while Singapore Airlines continued its climb by adding 10 cents to S$6.50.

Banks were mixed, with DBS and OCBC steady at S$4.88 and S$7.20 respectively, Malayan Banking up 4 cents to S$4.30 and Tat Lee down 2 cents at S$2.00.